



# Shire of Halls Creek **ANNUAL REPORT** 2021

The Shire of Halls Creek  
PO Box 21  
HALLS CREEK WA 6770  
Ph.: 08 9168 6007  
Fax: 08 9168 6235  
Email: [hcshire@hcshire.wa.gov.au](mailto:hcshire@hcshire.wa.gov.au)  
[www.hallscreek.wa.gov.au](http://www.hallscreek.wa.gov.au)





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## 1.0 SHIRE PRESIDENT'S MESSAGE



As President for the Shire of Halls Creek, I am proud to present the Shire of Halls Creek Annual report for 2020/2021, ending 30<sup>th</sup> June 2021.

Firstly, I would like to thank my fellow Councillors for their support and dedication to the Shire, I acknowledge that Cr D Gordon had to end her time as a Councillor, I wish her well for her future endeavours.

This time last year I reported that the finance, governance and administrative work required following the events of 2018 had been completed and that elements of the Integrated Planning (Assets, Long Term Financial and Workforce Plans) were scheduled for 2020. These have now been compiled into one report (called Resource Plan) and this was used to assist in the compilation of the Annual Statements for 2021 and the Budget for 2021/22. Moore Australia will now prepare the final element of Integrated Planning, the Corporate Business Plan for Shire consideration by April 2022.

The Shire is working hard to reinstate its reputation in Local Government as an innovative leader that responds to the needs of its community and I believe we are achieving this. The Shire was asked to present at the West Australia Local Government Association (WALGA) Aboriginal Forum, 'Doyntj Doyntj Come Together' where we were able to showcase the many Shire achievements of the past 3 years. The Shire was highly commended for this work.

The Shire Strategic Plan has two primary objectives; expand the local economy by attracting more income into the region and expand local employment by increasing the number, quality and variety of employment and training opportunities for our community members. This has been the Council's primary focus for the past 2 years and the advantages of this strategy are accumulating.

Unemployment year on year March 2019 was 40%. With additional employment implemented by the Shire in Olabud and Road works has seen this indicator drop to 27% in March 2020. It is the Shire's aim to drive this indicator to that seen across the rest of the Nation. The shift in thinking away from waiting for financial assistance from others, to just getting on and doing what we can with our financial resources is attracting others to help finance our aims. This approach has seen a greater focus on early results, and a lot more business for Shire staff.

The financial performance during 2020/21 was sound and saw the Shire achieve many objectives, remembering that much of this time was still COVID affected, and many areas of the State were still in recovery and in opening-up mode.

Total Shire revenue climbed to \$12m (from \$8m) on the back of strategic aims to expand our local economy and primarily consisted of more grants for roads and flood damage repairs to roads. The reliance on Federal Assistance Grants continues (\$4m) without which this remote local government would struggle in service delivery. We attracted an additional funding for Olabud, roads and had higher turnover on the Duncan Gordon Rd project which improved overall revenue.

In terms of expenditure, roadworks remains the greatest spend in the Shire, with town and rural maintenance (\$1m), flood damage (\$1.8m) and town and rural construction (\$3.2m) all up on previous years. This meant that both contractors (THEM) and Shire staff were fully engaged for the full work year, April to December 2022. The Shires usual 3–4-month program has more than doubled to achieve all required works. For road users, this only means road improvements and

higher standards of maintenance across longer periods of the year, something that we all can share.

The Shire's continued advocacy for the sealing of the Tanami is starting to show results. The Duncan Gordon Rd project (\$50m) and the Tanami seal start (\$42m) have been delayed by the lack of Heritage clearances in 2021, but that was also an opportunity. Whilst clearances were being completed, design work on the Tanami continued out to the 100km mark, this allows Shire and MRWA to put much more accurate cost estimates into Government for support and funding. All indications are that support for the Tanami seal is building.

Horizon Power completed their investment in LED lights for all Halls Creek streetlights and this has made a major improvement in safety and when combined with the Shire footpath construction program (\$269k) many more streets are now safer at night.

I would like to extend my continuing thanks to the Shire staff who have worked tirelessly over the past 12 months. There have been many changes as a result of COVID-19, the Shire like everyone has had to adapt to the changed environment. This has impacted staffing and service delivery and has made all organisations question priorities. Fortunately, we have remained sufficiently flexible to adjust to the ever changing requirements and as changes to access and movements happen in Halls Creek and our surrounding communities we aim to make the most of what opportunities this holds.

I thank Council and staff in advance for what I know will be a very busy period ahead.



**Cr Malcolm Edwards**

**Shire President**



## 2.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The year under review has been possibly one of the most unsettled years of my Local Government career, the impact of COVID on community generally, COVID stimulus funding for roads and Halls Creek's biggest flood damage claim program ever, unscheduled postponement of the Duncan Gordon roadworks where the Shire involvement was to be approximately \$5m, the continued upheaval and movement of staff reacting to COVID and the unsettled community environment; it never was an easy time to slip into the normal local government routine.

Nevertheless, Council set an ambitious program in its Budget of August 2020 and thankfully most of this was achieved. The primary strategic aims of the Shire remain unchanged; seek expansion of the local economy by attracting more investment and to channel as much of that investment into local jobs to suit the skill sets of local employees. We also aim to lead an innovative social program and invest in developing community engagement and leadership.

As a result, spending on roads has exceeded all past records, a near \$8m over the two half years with two construction teams operating in excess of 8 months, for the full financial year. This far exceeds our usual 4 months of contractors. The cessation of works on the Duncan Gordon Rd project in March 2021 required quick redirection of efforts and Shire was able to put its road crew onto flood damage and construction work also. The Shire crew worked as an independent group and there were some trials and tribulations as the camp and crew settled into remote operations.

It is expected that this surged effort of Shire crew and contractors will continue into 2022, as we continue to finalise road flood damage claims.

I have been pleasantly pleased that the feedback from residents towards the end of 2021 indicated that road standards have improved generally across most roads, as you would expect following more than double the usual investment. It is expected that following 2022 works, we may be getting back to road conditions where roads should be in terms of the overall network.

The Cert III Civil program that supplies the work crew was only run in the first half of 2021 - COVID restricted 2 programs and 7 persons completed this program. Most came and worked for the Shire. It is expected the Shire will be directly involved in major roadwork for the next 6+ years, and this focus on civil construction will complement the Shire strategic aims of more local employment and faster economic development.

2020/21 was also a period of consolidation for the changes made in the workforce in 2019 and can be seen by the nature of Shire capital expenditure. A new compactor rubbish truck (\$350k) a new road sweeper (\$390k) were both purchased to replace the very old and well used plant, the Shire road crew camp and depot were improved (\$100k).

As part of a start to the development of a Halls Creek Townsite Master Plan, considerable expenditure of footpath improvements were made (\$270k), including a \$90k contributions from Paths West. This resulted in 1.2 km of concrete pathways being laid and signals the start of a plan to complete both concrete and gravel pathways for pedestrians and cyclists. The footpath improvements coincided with Horizon Power converting all of the Halls Creek street lights to LED, vastly improving the performance of street lighting in Halls Creek.

The Townsite Master Plan elements that have been achieved are significant (footpaths/lighting) and the March 2021 State Election resulted in further commitments to fund approx. \$3.5m for works needed in the Master Plan. Early expectation of delivery should be tempered, as we rely

on changes to the Gt Northern Hwy and therefore the street scaping won't be needed until 2023. Now is a time for preparation and community engagement to form the plan.

In terms of local employment the YENO and Olabud crews again dominated in the non-roadworks programs of local employment within the community and each naturally has high turnover of staff as staff develop. Many have progressed to more senior roles in Olabud programs.

In terms of leadership, all of the new Olabud programs and funding requests originate from the leadership meetings between Shire and community leaders; these continued in the past year (even though limited by COVID). These forums generate the ideas, activities, programs demands and requests that the Shire targets - e.g. Navigator program. None of the future ambitions will be possible without the continued connection to our community. The Shire aims to put the community, as our partner and contributor to future objectives.

The Shire COVID response and operations during 2020/21 had to remain flexible and whilst there was a period of relative calm whilst WA remained closed, there was the occasional flurry of activity when a rapid test showed positive. Some communities went into immediate lockdowns and the Shire processes were directly involved in this response. As vaccination arrived, the public health messaging shifted, again requiring a shift of resources and activity.

I acknowledge the many Shire staff who worked continuously messaging Shire's position and our community response, it has been a continuously changing world at the Shire office as COVID and operational requirements change. The prolonged and impactful nature of this pandemic has seen challenges in many areas of the Shire's operations. Without a doubt, staff have been affected by the continuous stresses.



**Noel Mason Chief Executive Officer**





### 3. INTRODUCTION

#### 3.1 WHAT IS THE ANNUAL REPORT?

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2021/22 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or continue in the next financial year. The performance of the Council is assessed against the vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Halls Creek Strategic Community Plan. This plan provides the strategic focus for elected members and the organisation and they affirm our commitments to the community.

#### 3.2 Vision

##### **Our Vision**

***The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.***

#### 3.3 Our Values

Values of the organisation and the community are demonstrated through the way employees behave, interact and think. Defining values and clearly articulating what these values look and feel like is very important and are the building blocks to ensuring a consistent customer and staff experience is delivered at all times. Values and the behaviour they influence are also essential when creating a strong and well respected Corporate Brand both internally and externally.



### 3.4 Community Aspirations and Values

Aspiration or Value	Benefits
<b>Respect for, and engagement with the traditional owners of the land.</b>	Ensuring pace and level of development impacting Indigenous communities is guided by the Traditional Owners.
<b>Social inclusiveness</b>	Promotes a future for all residents, actively strengthens the social fabric of the community, values diversity and responds to special needs and disadvantage.
<b>Community involvement</b>	Values the contributions of all groups and ages and generates opportunities for active participation by residents in planning and action.
<b>Positive Mindset</b>	Fosters community attitudes that embrace change, proactive 'can do' behaviours, optimism, hopefulness and the belief in the community being architects and builders of their social and economic future.
<b>Respect for the Environment, Cultures and Sustainable Practices</b>	Respects the natural environment, cultures, heritage and town character and commits to ensuring that the needs of the present are met without compromising the ability of future generations to meet their needs.
<b>Access and Equity</b>	Provides all residents with adequate health, educational, learning, housing and recreational opportunities, facilities and programs.
<b>Mutual Responsibility and Respect</b>	Encourages attitudes and behaviours that foster harmony, equity before the law, personal accountability and respect for the ideas, potential and contributions of all residents.
<b>Celebration</b>	Encourages pride and times of celebration relating to the town's heritage, uniqueness, cultures and achievements.
<b>Collaboration, Partnership and Networking</b>	Creating and strengthening stakeholder collaboration, coordination, networking and cross-promotion to ensure maximum positive outcomes for the residents of the town.
<b>Asset and Opportunity Focus</b>	Focussing upon local assets, opportunities and creativity, and building upon and strengthening existing initiatives and groups.
<b>Commitment to Excellence in Performance and Customer Service</b>	Ensuring strong dedication to quality experiences and outstanding customer service where everyone experiences respect, hospitality and friendliness.

## 4. About our Shire

Located in the Kimberley region, the Shire of Halls Creek is one of Australia's iconic outback regions with a unique cultural and heritage environment. Predominantly Aboriginal populations live in a number of remote communities around the district and the town site of Halls Creek.

The Shire of Halls Creek covers 142,908 square kilometres of the Kimberley is located approximately 2,850 kilometres to the North East of Perth and 362 kilometres south of Kununurra. The Northern Territory forms the Eastern boundary of the Shire with the Shire of Wyndham-East Kimberley to the North, the Shire of Derby West Kimberley to the West and the Shire East Pilbara to the South and West.

The remote communities of Balgo (Wirrimanu), Billiluna (Mindibungu), Mulan, Kundat Djaru (Ringer Soak), Warmun (Turkey Creek) and Yiyili are an integral part of the district with around 3,000 people residing outside of the Halls Creek town site. Throughout the Shire there are a number of smaller communities. The Region is connected by 391km of sealed roads and 1,449km of unsealed roads, which require extensive maintenance work due to seasonal flooding.

### 4.1 Kimberley Aboriginal Language Groups

The following map illustrates the distribution of Aboriginal Language Groups in the Kimberley. Languages play an important role in supporting Aboriginals in connecting with their culture and country. They are also an important consideration for non-Indigenous people and organisations that engage or work with Aboriginal people in the Kimberley region.



## 4.2 History

The land now known as Halls Creek has been occupied for thousands of years. The land is crossed by song lines and trading paths stretching from the coasts to the deserts, some passing near the modern town.

The story of that long occupation remains alive today and it is revealed in the culture of the Jaru, Kija, Kukatja, Walmajarri, Gooniyandi and other indigenous people who live in the Shire of Halls Creek.

That ancient world changed late in the 1800's with the arrival of Europeans, searching for minerals for wealth and land for cattle. On Christmas Day 1885 prospector Charlie Hall found a huge 28-ounce (nearly 1 kilogram) gold nugget at a site that would eventually be named after him.

News of the discovery drew more than 15,000 people to what is now Old Halls Creek to try their luck. It proved an inhospitable land for these people and the graves of some can be found in Old Town's small cemetery.

The gold rush lasted less than three months and Halls Creek became a trading centre for cattle stations, aboriginal communities and miners who stayed in the area. The post office with its telegraph line that terminated here, the police station, government office, racecourse and stores gave the town a purpose.

In 1918 the Australian Inland Mission built a hospital and the old town struggled on, short of inhabitants and water. In 1948 an airfield was built near the site of the present town and over the next decade the old town moved nearer to this new site. Except for the police station, which finally relocated in 1961, the old town was abandoned by 1954.

The new town of Halls Creek is one of the largest predominantly indigenous communities in Australia. It is a friendly, welcoming place and offers travelers an ideal stop on their journeys. The old town is worth a visit, nestled in spectacular country.

### Remote Aboriginal Communities

Community	Population	Languages Spoken
Balgo Hills	460	Kukatja, Ngardi, Northern Territory languages
Billiluna	144	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Mulan	194	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Ringer Soak	160	Jaru, Kukatja, Ngardi, Northern Territory languages
Warmun	196	Gija
Yiyili		Goonyandi





Mulan community

## 5.0 ABOUT OUR ORGANISATION

### 5.1 Role of Local Government

The function of a local government organisation is to provide good governance for its community members, involving efficient and effective decision making, community participation, operational transparency and accountability.

All local governments in Western Australia are independent corporate bodies constituted under the Local Government Act 1995 (the Act). The Act requires each local government to meet the needs of current and future generations by integrating environmental protection, social advancement and economic prosperity.

### 5.2 Shire Executive

The role of the Chief Executive Officer is to advise the Council in relation to the functions of the local government; ensure advice and information is available for Council to make informed decisions; implement Council decisions; manage daily operations; liaise with the Shire President regarding performance and management of staff.

Mr Noel Mason joined the Shire in December 2018 as Chief Executive Officer.

The Shire' Executive consisted of Directors Mr Lloyd Barton (Corporate Services), Mr Musa Mono (Health & Regulatory Services), Ms Margaret Glass (Youth & Community Development) and Ms Jackie Parker (Assets & Infrastructure).



### 5.3 Our Elected Members

The Council of the Shire of Halls Creek consists of seven (7) elected members. Council Ordinary Elections are held in October every second year, and Councillors are appointed for a four year term.

Following the Council Ordinary elections on the 16 October 2021, Crs Bonnie Edwards, Virginia O'Neil, Chris Loessl and Rosemary Stretch were returned to Council and Mrs Angie Bedford was elected as our newest councillor. The election of the Shire President and Deputy Shire President was held on 21 October where Cr Malcolm Edwards was returned unopposed as Shire President and Cr Chris Loessl returned unopposed as Deputy Shire President.

The current Councillors are:

1. Cr Malcolm Edwards (President) - Term 2023
2. Cr Chris Loessl (Deputy President) - Term 2025
3. Cr Virginia O'Neil - Term 2025
4. Cr Bonnie Edwards - Term 2025
5. Cr Rosemary Stretch - Term 2025
6. Cr Trish McKay - Term 2023
7. Cr Angie Bedford - Term 2023

The previous Council member, Ms D Gordon end her councillorship in April 2021.

### 5.4 The Role of the President and Councillors

Council is the governing body of the Local Government and is made up of seven Elected Members (called Councillors). The role of Council is defined in the *Local Government Act 1995* (the Act):

- To direct and control the local government's affairs; and
- To be responsible for the performance of the local government's functions

Each Elected Member sits a four year term, Local government elections take place every second year on the third Saturday in October, with half the Council retiring at each election. Retiring Council members are eligible for re-election. After each election Elected Members select a President and Deputy President from amongst themselves.

The role of a Councillor is to represent the community, provide leadership and guidance, facilitate communication between community and Council, make decisions on matters before Council, determine Council policy, govern finances and provide forward planning and evaluation of the progress towards Shire goals.

Councillors play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs and establishing priorities between competing demands. Elected Members do not have authority to act or make decisions as individuals; they are members of an elected body (Council) that makes decisions on behalf of the local government through a formal meeting process.

## 5.5 Elected Member Conduct

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action under section 5.110(6) (b) or (c) of the Local Government Act 1995. In the 2020/21 year there were no complaints lodged regarding elected members.

## 5.6 Code of Conduct

Section 5.103 of the *Local Government Act 1995* provides that every local government is to prepare a code of conduct which is to be observed by members of the Council and Shire employees and provides consistent guidelines for an acceptable standard of professional conduct. The code of conduct was revised and updated in March 2021 and can be found on the Shire of Halls Creek website <https://www.hallscreek.wa.gov.au/documents/freedom-of-information>

## 5.7 Councillors Training – 1 July 2020 to 30 June 2021

Councillor	Financial Report	Meeting Procedures	Serving on Council	Understanding Local Government	Conflicts of Interest
Malcolm Edwards	Completed	Completed	Completed	Completed	Completed
Chris Loessl	Completed	Completed	Completed	Required	Required
Virginia O'Neil	Completed	Completed	Completed	Completed Feb 2020	Completed May 20
Bonnie Edwards	Completed	Completed	Completed	Required	Required
Rosemary Stretch	Completed	Completed	Completed	Completed	Required
Trish McKay	Required	Required	Required	Required	Required

## 5.8 Shire of Halls Creek Elected Members

Shire of Halls Creek Elected Members current as at November 2021, (7) elected members.



**Shire President**

**Cr Malcolm Edwards**

Phone: 0488 306 911



**Deputy Shire President**

**Cr Chris Loessl**

Phone: 0417 187 636



**Cr Virginia O'Neil**

Phone: 0467 766 146



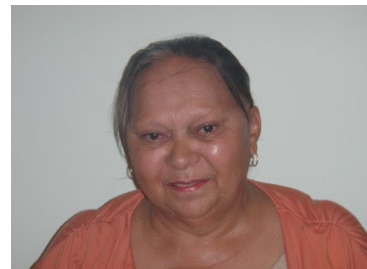
**Cr Bonnie Edwards**

Phone: 0488 225 636



**Cr Rosemary Stretch**

Phone: 0460 557 329



**Cr Trish McKay**

Phone: 0418 877 831



**Cr Angie Bedford**

Phone: 0491 344 581



## 5.9 Integrated Planning and Reporting Framework

Local Government in WA is continuously improving the way it undertakes strategic planning processes. In 2011 the Integrated Planning and Reporting Requirement was legislated. The Shire of Halls Creek is continuing to update and improve its Integrated Planning and Reporting Framework, having adopted a Resource Plan in June 2021.

### 5.9.1 Framework Aims

Integrated planning and reporting gives local governments a framework for establishing local priorities and to link this information to operational functions. Three major parties are involved in the development of an integrated plan: the local government administration, the Council and the community. Each party has a unique role and responsibilities for effective and sustainable integrated planning and reporting, with the Local Government (Administration) Regulations 1996 requiring each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

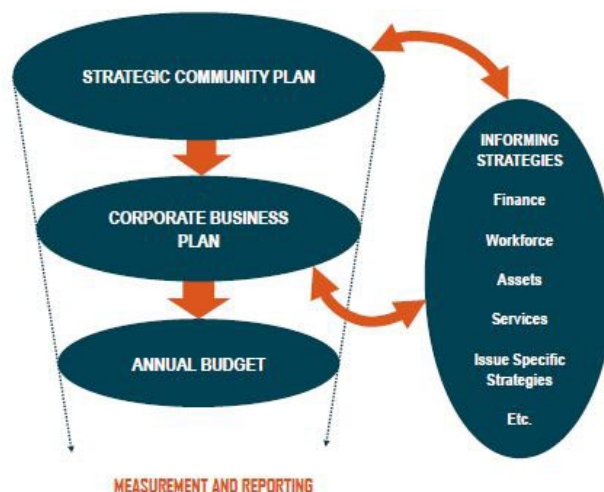
A successful integrated planning and reporting process will deliver the following outcomes:

- a Strategic Community Plan that clearly links the community's aspirations with the Council's vision and long term strategy
- a Corporate Business Plan that integrates resourcing plans and specific council plans with the Strategic Community Plan, and
- a clearly stated vision for the future viability of the local government area.

The Framework:

- recognises that planning for a local government is holistic in nature and driven by the community
- builds organisational and resource capability to meet community need
- optimises success by understanding the integration and interdependencies between the components, and
- emphasises performance monitoring so that local governments can adapt and respond to changes in community needs and the business environment.

### 5.9.2 Key components of the framework



### 5.9.3 Framework Timelines

<b>Strategic Community Plan</b>	<b>10 year horizon and informed by community consultation; (Level 1)</b>
<b>Corporate Business Plan</b>	4 year horizon; (Level 2)
<b>Annual Budget</b>	1 year horizon; (Level3)
<b>Supporting strategies</b>	Resources Plan

### 5.9.4 Framework Roles and responsibilities

The Integrated Planning and Reporting Framework helps ensure Council's decisions look to the long- term future and consider the community's aspirations to deliver the best results possible with the resources available.

Before the legislative requirements to have an Integrated Planning and Reporting Framework the community had limited voice once Councillors were elected. The Framework is designed to put the community at the table through the Strategic Community Plan with the Council and CEO and ensure that the needs and aspirations of the community identified through the Strategic Community Plan are always considered. The framework helps to hold both Council and the CEO to account for delivering on the goals of the Strategic Community Plan.

### 5.9.5 Strategic Community Plan

The Strategic Community Plan is the long-term overarching document that sets out our community's vision and aspirations for the future. It also sets out the key strategies and actions required to achieve these aspirations. The Strategic Community Plan identifies how we will get from where we are now, to where we want to be.

Achieving the identified aspirations will rely on the collective commitment and combined actions of the Shire of Halls Creek, government agencies, Aboriginal Corporations, non-government agencies, residents, the business community and community groups.

The 'Halls Creek Community Strategy 2008-2018' was adopted by Council on 17 December 2008. The pathway taken in the development of this Plan for the Future was documented in the Shire's 2008-2009 Annual Report. The Shire of Halls Creek Strategic Community Plan (SCP) was revised and adopted on 24 April 2015 and again reviewed in September 2019 with facilitation by Mr Peter Kenyon. The revised/new Strategic Community Plan was adopted by Council in February 2020.

### 5.9.6 Corporate Business Plan

As part of this review the Shire will update the Corporate Business Plan and this work currently sits with Moore Australia. The plan outlines how new projects and operational services outlined in the Strategic Community Plan will be delivered and their associated budget allocation.



### 5.8.7 Resources Plan

The Resource Plan incorporates those elements that were previously known as;

- Workforce Plan
- Asset management Plan
- Long Term Financial Plan

Workforce Planning is one of the key components of Integrated Planning and the adopted strategy of creating more local jobs is critical to Shire future plans. At the strategic level, the workforce plan takes into account the community aspirations, priorities and objectives identified in the Strategic Community Plan and highlights workforce needs.

The Asset Management Plans (AMP) review the intended life and consumption of assets, details shortfall and gaps in assets required to achieve objectives. Plans more useful to Shire managers who have the responsibility for asset management planning.

The Long-Term Financial Plan provides the detail of the projected financial performance of the Shire over a 10+ year period and is updated as the income strategies and expenditure programs are implemented.

#### **Regular Review**

The Integrated Planning and Reporting Framework requires regular review to remain relevant. The Strategic Community Plan is updated every two years and then undergoes a full review including community consultation every four years.

## 6.0 YEAR IN REVIEW

This section of the Annual Report summarises the Shire of Halls Creek progress during the 2020/21 financial year towards attaining the goals, strategies and outcomes from the Strategic Community Plan.



### 6.1 Health & Regulatory Services

#### Development of the Built Environment

Development of the Shire's built environment was slowed down during the year because of the COVID-19 pandemic control measures. Though out the financial year, only one development approval was issued for upgrade and improvement works at Garrenbawoorroom-Boorro Daam Aged Care Facility at Warmun, valued at \$4m. Other planning applications were for change of use of existing structures.

#### Capital Projects

The Cemetery Niche Wall at Halls creek Cemetery was completed, costing approximately \$30,000. Construction of the Animal pound is in its final stages.





## Dog Health Programs

Two sessions of pet de-sexing programs were held in September 2020 and May 2021.

First session in October 2020, 78 dogs and 4 cats de-sexed.

Second session in May 2021, 177 dogs and 44 cats de-sexed.

Total for the financial year, 225 dogs and 48 cats de-sexed. Program was carried out in partnership with the Animal Management in Rural and Remote Communities (AMRRIC) Vets. There is a significant improvement in the health of pets, especially dogs in Halls Creek Town.



## Monitoring and Control of the Ehrlichia canis Outbreak

**Ehrlichiosis** is a tick-borne disease which affects dogs and is caused by the bacteria Ehrlichia canis. Prior to May 2020, it was unknown in Australia and therefore a new disease. The Health and Regulatory Services team participated actively in the monitoring of the disease by collecting tick samples and sending them to the Department of Agriculture Laboratories for analysis. The team controlled the disease successfully in Halls Creek by applying mass tick infestation treatment of dogs in the Shire, using drugs obtained from the Department of Health and AMRRIC (Animal Management in Rural & Remote Indigenous communities).

## Planning

Council has initiated an omnibus amendment to the Local Planning Scheme. After 6 weeks of public consultation, the Local Planning Scheme No. 2 - Omnibus Amendment 1 was forwarded to the Western Australian Planning Commission for endorsement and approval by the Minister at the end of November 2021.

## Development approvals for the financial year 2020/2021

There was a reduction in development activities due to the COVID-19 pandemic. Though fewer applications were received, the value of developments was significantly high.

Location	Description	Value
6 Jinggul Street, Halls Creek	5 Grouped Dwellings (public works	\$2,637,351.84
14 B Terone Street	Change of use from Residential to Office	\$ -
165 Great Northern Highway	Palisade security fence around power transformer	\$38,000
165 Great Northern Highway	Installation of external refrigerated containers + security fence	\$113,126.65
Lot 54 – Warmun Community	Upgrade works and change of use to residential aged Care	\$4,000,000
5-9 Neighbour St, Halls Creek	Change of use-Container Deposit Scheme & Signage	\$ -
3 John Flynn Street	2 Grouped Dwellings (Public Works)	
Total		<b>\$6,788,478.40</b>

## Building Control

### Building Permits issued in the financial year 2020/21

Location	Description	Value
3 Moyle Crescent, Halls Creek	2.1m high Garrison boundary fence and gates	\$43,108.30
4 Stretch Street, Halls Creek	2.1m high Garrison boundary fence and gates	\$43,108.30
8 Slattery Avenue, Halls Creek	Cemetery Niche Wall	\$29,513.00
22 Kinivan Street, Halls Creek	2 Grouped Dwellings	\$871,888.99
3 John Flynn Street, Halls Creek	2 Grouped Dwellings (Public Works)	\$1,017,646.30
3 Wilkinson Street, Halls Creek	2 Grouped Dwellings (Public Works)	\$911,903.75
6 Jinggul Street	5 Grouped Dwellings (Public Works)	\$2,637,351.84
24 Mardiwah Loop	Relocation of transportable Ancillary Accommodation unit	\$10,000
Lot 510 GNH- Mueller Ranges (Mimbi Caves)	Storage Container	\$19,500
Lot 1 Yiyili Community	New Fabricated Shade Structure-Yiyili School playground	\$262,551.00
<b>Total</b>		<b>\$5,846,571.30</b>

## 6.2 Corporate Services

### Workforce Plan, Asset Management Plans, Long Term Financial Management Plan and Corporate Plan

The Shire has engaged Moore Australia to review and consolidate previous workforce, asset management and long term financial management plans into a single Strategic Resource Plan for 2021 – 2036.

The plan was adopted by Council in August 2021. The Strategic Resource Plan provides the Council and community with a picture of the Shire's long term financial, asset management and workforce circumstances and assists us to meet our strategic outcomes and objectives, both during and beyond the COVID-19 Pandemic.

This will be followed by a Corporate Business Plan which outlines how new projects and operational services set out in the Strategic Community Plan will be delivered and their associated budget allocation over a 4 year time horizon.

## Emergency Management

The Shire oversees the planning of Emergency Management through the Local Emergency Committee (LEMC). Processes have worked well throughout the COVID 19 Pandemic. The plans are due for review and the Shire commenced this by initiating risk assessments for the hazards of bushfire, flooding and a pandemic. These gives effect to the Department of Fire and Emergency Services' (DFES) new risk management policies and framework. Once completed the risk review will be incorporated into the new emergency management plans that were adopted by Council in December 2021. The Shire acknowledges the assistance and support of DFES in its emergency management preparations.



## **Record Management and State Records Act 2000**

The Shire of Halls Creek maintains a Recordkeeping Plan, approved by the State Records Commission and as required under the State Records Act 2000. It is also a requirement of the Commission that the Shire includes information about the Shire's records management in its Annual Report.

Following a review of recordkeeping risk in 2019, a new Recordkeeping Plan and Procedures were prepared in 2020 and approved by the State Records Commission in December 2020. The approval marks the transition to a fully electronic records management system with the digital record now being the official record of the Shire. The Shire can now capture and destroy hard copy and electronic records in line with the Shire's policies, recordkeeping plan and State Records requirements. This minimises the ongoing storage of hardcopy records. The 2020 recordkeeping plan also introduces proactive monitoring of records management by the Records Manager and monthly reporting to the Shire's management team. This facilitates continuous improvement and the integrity of the records management system.

## **Reporting of Financial Position and Risk Review**

Moore Australia have been engaged to prepare monthly financial reports to monitor actual income and expenditure against budgeted income and expenditure. The Shire's finance team provide information and reconciliations to Moore Australia for this purpose. This arrangement has bedded in well with quality and easy to read monthly financial statements being provided to Council each month.

The Office of Auditor General's report on the audit of the Financial Report, identifies a number of matters that need to be addressed. These include: controls over changes to supplier master file details, verification of rating information in puts into the finance system, review of the post closure management plan for the Halls Creek Waste Management facility and non-compliance with financial ratios set by the Department of Local Government, Sports and Cultural Industries. This reflects the Shire's limited means to raise revenue (limited rates base) and limited funds for assets replacement and maintenance.

The Shire has made progress, with adoption of the Shire of Halls Creek Strategic Resource Plan 2021-36. While not applicable to the 2020/21 financial year, it will allow reporting of the Asset Renewal Funding Ratio from 2021/2022 onwards.

assist with this and accommodate the increased workload in the creditors and payroll areas as a result of increase in Shire staff levels.

Under Regulation 17 of the Local Government (Audit) Regulations 1996, the CEO is to review the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance every third financial year. The last review was conducted in 2018 and therefore a review will occur in 2021-22. This is expected to be in late 2021 with the results being reported to the Audit Committee in the first quarter of 2022.



## **Information, Communication and Technology**

The Shire's ICT Strategy was first prepared in 2019 and its implementation has served the Shire well, such as by allowing staff to work from home during the height of the Covid 19 Pandemic and the Shire's offices having access to high speed internet. Since then the Shire is facing increased risk from cyberattack and new standards have been introduced to combat this. For this reason the ICT Strategy was updated in November 2021.

### **6.3 Assets and Infrastructure**

#### **The 2020/ 2021 Shire Road Works Programme**

The Shire of Halls Creek continues to implement the Shire of Halls Creek Strategic Road Plan (5 Years). In 2020/21 the Shire has received additional COVID stimulus payments and Local Roads Community Infrastructure (LRCI) funding above normal grants. This has allowed Shire to target more of the planned road works and when combined with flood damage claim AGRN 899, vastly more funding has been spent on roads. Road Works Programme for the 2020/2021 totalled \$8m which for the first time, exceeded the usual \$5m of depreciation on the network.

As always, the Tanami Road was a main target and the continual programme of improvements, maintenance and upgrades/capital work is starting to show in the overall quality of the road. The 2020/2021 programme also used Remote Access Roads and Road Project Grant funding on the Tanami. The main works were to improve formation, gravel, reform, shape & sheet, improve off road drainage and repair damaged floodways.

The Duncan Gordon Downs Roads Upgrade Project (DGDRUP) through to Ringer Soak was put on hold in 2021 as Shire and MRWA awaited for heritage clearances. The upgrade as part of the funding from both Federal and State Governments under the management of Main Roads WA ended in December 2020, so only part year expenditure applies in this period. It is anticipated that \$20m will be spent on this job in 2022.


As a result, the Shire successfully transitioned its road works staff onto flood damage claim AGRN 899 in April 2021 and they worked on these various jobs until Christmas 2021. Significant rain events over the 2020/21 wet resulted in further claims for flood damage (AGRN951) which is in the process of being approved. The works on this claim should be commenced in 2022.

In effect, as a result of the construction program and the flood damage, 2 teams have been working constantly in 2021 for the full year. Whilst this period ended at 30 June with approximate spending for the year of \$8m, it is anticipated that again by 30 June 2022, a similar amount will have been spent. \$16m in 2 years is a major ramp up from the usual \$3m per year, and reinforces the significance of determining and claiming all available flood damage on Shire roads.

#### **Indigenous Training Program – Certificate III Civil Construction - 16 weeks**

As part of the strategic plan of the Shire, a focus on higher skill and capacities in the Halls Creek workforce is needed. The Shire recognises that to break into the two tiered employment economy, local people require more skills. With the regions heavy program tilted towards roadworks (for Shire and MRWA), the offering by Shire of a program that sees staff completing formal qualifications to be able to on-board for MRWA, is extremely important. With the loss of





the MRWA Duncan Gordon income in the past year, Shire only conducted one training program and 7 participants successfully completed the course. Most have also joined Shire roadworks staff in an FTE or casual capacity during the 2021 roadworks program

#### **Footpath Program - Grant and Shire funded**

The footpath program expended \$270k, including a \$90k contributions from Paths West. This resulted in 1.2 km of concrete pathways being laid and signals the start of a plan to complete both concrete and gravel pathways for pedestrians and cyclists.

The footpath improvements coincided with Horizon Power converting all of the Halls Creek street lights to LED, vastly improving the performance of street lighting in Halls Creek.

### **6.4 Olabud Doogethu**

The Shire of Halls Creek and the Olabud Doogethu Aboriginal Corporation have partnered with Social Reinvestment WA to support the ongoing establishment, promotion, and evaluation of the Olabud Doogethu project (Western Australia first Justice Reinvestment site) within Halls Creek Shire. The Shire has the vision and commitment to building communities rather than prisons and reducing offending and Aboriginal incarceration rates in the Halls Creek area, whilst fostering a positive sense of live-ability, aspiration and sustainability within communities.

Since the inception of the Olabud Doogethu Project the team has significantly grown from 6 people to over 35 full time employees with over 90% local Aboriginal workers across five sites. With this the services provided has now expanded to include:

#### **YOUTH ENGAGEMENT NIGHT OFFICERS**

The Youth Engagement Night Officers provide monitoring and safety for Halls Creek youth and community members during the late evening and early morning hours.

#### **FAMILY SUPPORT (CASE INTERVENTION)**

Olabud Doogethu Family Support Team provide intensive case management and engage and support young people who are at-risk and vulnerable, working alongside the Department of Child Protection and families

#### **MIBALA (ALTERNATIVE EDUCATION)**

Mibala ('us together' in Kimberley Kriol) is an culturally-led educational pathway designed by Aboriginal Elders for at-risk youth to re-engage them back into mainstream schooling or job pathways.

#### **KUTJUNKA (COMMUNITY NAVIGATORS)**

The Kutjunka ('as one' in Kukutja) project is an Aboriginal-led grassroots human rights initiative seeking to improve the livelihoods of remote Aboriginal desert communities of Mindibungu (Billiluna), Wirrimanu (Balgo), Kundat Djaru (Ringer Soak) and Mulan.

#### **MEN'S TRIBAL CENTRE**

The Men's Tribal Centre is an Elder's Reference Group initiative that is led by local Aboriginal Elders and community leaders to create a culturally safe space for young men, fathers and sons and work together towards a brighter future. The Shire has seen significant success in the first two years of this project with early results very encouraging.



## STATUTORY REPORTS


### 7.0 Plan for the Future

Section 5.53(e) of the Local Government Act 1995 prescribes that a Local Government in its Annual Report is to contain an overview of the plan for the future of the district made in accordance with section 5.56; including major initiatives that are proposed to commence or continue in the next financial year.

#### 7.1 Planned initiatives and projects

The Shire of Halls Creek has a number of Capital projects and initiatives planned for the coming year, these initiatives have been adopted in the budget for 2021/22.

Priority Projects	Funded	Benefits to the community
<b>LAW, ORDER AND PUBLIC SAFETY</b>		
<b>Dog Pound Completion</b>	Reserve	Improved community facility
<b>COMMUNITY AMENITIES</b>		
<b>Pet Cemetery</b>	Reserve	Service to community for pet burials
<b>Grave Pegs - Phase two</b>	Reserve	Improved order and cemetery layout with additional burial option for community



<b>RECREATION &amp; CULTURE</b>		
<b>Splash Park</b>	Council and Grant Funded	Upgrade to aquatic facility, increase attendance at the pool and the number of children bathing in chlorinated water leading improved community health.
<b>TRANSPORT</b>		
<b>Tanami Road</b>	Part Funded	Improved access and safer roads
<b>Gordon Downs Road</b>	Funded	DGDRUP with MRWA
<b>Duncan Road</b>	Funded	
<b>Flood Damage (2019/20)</b>	Recoups and Council	
<b>LRCI program</b>	Funded	
<b>AIRPORT</b>		
<b>Airport Upgrades</b>	Funded	Improved tie downs for aircraft
<b>PLANT PURCHASES</b>		
<b>4 x Fleet Vehicles (light commercial)</b>	Plant Reserve	Continual vehicle upgrade programme to replace aging vehicles in the fleet.



## 7.2 Freedom of Information Statement

The Western Australian *Freedom of Information Act 1992* (the FOI Act) gives you the right to apply for access to documents held by State Public Sector agencies which includes: Government Departments; Local Authorities; Statutory Authorities and Ministers.

Agencies are required to assist the public obtain access to documents at the lowest reasonable cost, and to ensure that personal information held is accurate, complete, up to date and not misleading. Your right to apply is not affected by any reasons you have for wishing to obtain access, or the agency's belief as to what your reasons are for applying.

### Information Statement

The Information Statement published by the Shire of Halls Creek in accordance with the requirements of the Freedom of Information Act 1992. It is a requirement that the Shire prepare and publish an annual Information Statement outlining the means to access information, the types of information held by the Shire and if that information:

- Is Open Access information that is readily available? If it is, the statement will advise where and how you can source the information;
- Can be disclosed to you through 'informal release'. For example, where no third party personal information is involved; or
- Requires a 'formal access application'. For Example, when consultation with a third party is required.

The Information Statement includes information regarding the Shire's mission, structure, decision making functions and legislation administered, as well as documents held by the Shire and outlines the procedure for Freedom of Information (FOI) applications.

How to make a Freedom of Information Application to the Shire of Halls Creek:

- Apply in writing to the Chief Executive Officer, who acts as the FOI Coordinator.
- The FOI Coordinator will assist you if necessary. No special forms are required - a letter will do.
- Identify or describe the documents concerned, or if you apply for amendment of personal information about yourself you must provide details to show how or why the agency's records are inaccurate, incomplete, out of date or misleading. If you ask for 'everything' on a particular subject, the Shire may help you narrow the scope of your application to ensure that the work involved is reasonable.
- Provide an address in Australia where notices can be sent. If possible, include your telephone number/fax number/email address as this will help Shire staff to contact you if necessary, to assist in your application being dealt with efficiently.
- Pay an application fee of \$30 if the documents contain non-personal information. No fee is payable for access to personal information about yourself.

## 7.3 Costs

No fees or charges apply for information relating to personal information or the amendment of personal information. All other applications are subject to the prescribed application fee.

- A prescribed fee of \$30 will be applicable upon submission of the application in order for the Information Coordinator to begin the document assessment process. The identified documents will then be reviewed to determine if any exemptions apply. The response to the original application must be provided to the applicant in the shortest possible time (or within 45 days) at the lowest reasonable cost.



## Schedule of Fees

<b>Application fee for personal information</b>	<b>No Fee</b>
<b>Application fee for non-personal information (Mandatory)</b>	\$30.00
<b>Charge for time dealing with the application (per hour, or pro rata)</b>	\$30.00
<b>Access time supervised by staff (per hour, or pro rata)</b>	\$30.00
<b>Photocopying staff time</b>	\$30.00
<b>Photocopying per page</b>	\$0.20
<b>Transcribing from tape, film or computer (per hour, or pro rata)</b>	\$30.00
<b>Duplicating a tape, film or computer information</b>	Actual Cost
<b>Delivery, packaging and postage</b>	Actual Cost

An estimate of charges will be provided if the cost is expected to exceed \$25.00. For financially disadvantaged applicants of those issued with prescribed pensioner concession cards, (apart from the application fee) the charge payable is reduced by 50%.

### Deposits

- An advance deposit may be required in respect of the estimate charges of 25%
- Further advance deposit may be required to meet the charges for dealing with the application of 75%

## 7.4 Reviews

If you disagree with a decision made on your FOI application, you can ask for that decision to be reviewed by someone else in the Shire. You must apply within 30 days of receiving the notice of decision from the Shire.

Within 15 days the Shire will advise you in writing of the outcome of the review, as well as your right to lodge a complaint with the Information Commissioner for an external review of the Shire's decision.

After internal review, if you still disagree with the Shire's decision, you can lodge a complaint with the Information Commissioner. If you make a complaint to the Information Commissioner, the complaint must:

- Be in writing and include your address.
- Give particulars of the decision to be reviewed including details of the part, or parts, of the decision you want the Commissioner to review.

Include a copy of the notice of decision sent to you by the Shire - this is the written notice of decision provided to you following the Shire's internal review.



## 7.5 Summary of FOI Requests received in the Year Ended 30 June 2021

For the year ended 30 June 2021, the Shire of Halls Creek had (4) four FOI applications which were responded to and information required within the required time.

Date: 27 July 2020

**Name:** Steven Middleton

Request: Construction/demolition, waste disposal, complaints about odour, spills, discharges and any environmental incidents or information that may have occurred on Lot 234 on Plan 17494, Reserve 30788, Halls Creek and on Lot 343 Bridge Street (6 Terone St) in Reserve 33688, Halls Creek.

Date: 6 November 2021

**Name:** Bennett & Co

Request: Documents concerning development or proposed re-development of any commercial enterprise in the township of Halls Creek including any changes or proposed changes in the zoning of land use to commercial and/or mixed use (as defined in the Shire's Local Planning Scheme No.2).

Date: 13 March 2021

**Name:** Elodie Payet

Request: Information in relation to Lot 508 on Deposited Plan 66539 including:

- Records relating to historical use of portions of the site for extraction of sand or gravel (by the City/Shire or by others)
- Records relating to reports of illegal activity – such as dumping, fly tipping or other
- Records of historical use of the site by the shire or others for historical activities.

Date: 3 May 2021

**Name:** Cassie Hasan

Request: Information in relation to Lake Gregory Pastoral Station N049428, Sturt Creek, Western Australia including site contamination incidents, environmental reports/approvals, complaints, development proposals, site history and land use and water licenses.

## 7.6 Register of Complaints

The Local Government Act 1995 s5.121 requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in action under the Local Government Act. The CEO must publish an up-to-date version of the register of complaints on the Local Government's official website.

## 7.7 Annual Salaries

It is a requirement of the Local Government Act 1995, and related Administration Regulations, that the number of employees entitled to an annual salary of \$100,000 or more per annum, are disclosed in the Annual Report in bands of \$10,000 and \$20,000. This information is set out below.

Salary Range \$	2018/19	2019/20	2020/21
<b>100,000 - 110,000</b>	2	0	0
<b>110,000 - 120,000</b>	1	0	0
<b>120,000 - 130,000</b>	2	3	3
<b>130,000 - 140,000</b>	2	1	1
<b>140,000 - 150,000</b>	0	0	0
<b>220,000 - 240,000</b>	1	0	0
<b>240,000 - 260,000</b>	0	1	0
<b>260,000 - 280,000</b>	0	0	1



## 7.8 Staff Summary

	2019/20		2020/21	
<b>Number of Full Time Staff (employed)</b>	53		64	
<b>Total Number of Staff</b>	77		102	
<b>% Male</b>	58	75%	72	70%
<b>% Female</b>	19	25%	30	30%
<b>% Indigenous Staff</b>	48	62%	68	67%

## 7.9 National Competition Policy

The National Competition Policy is a set of competition enhancing principles agreed to by the State and Federal Governments in 1995.

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy by eliminating any advantage received by government as a result of public sector ownership. The result should be a more 'level playing field' between the public and private sectors.

All governments with business activities that generate in excess of \$200,000 per annum of user-pays income must assess these activities and, if necessary, introduce measures to eliminate any net advantages that may have arisen because of the public ownership of the activities.

During 2020-21 financial year, the Shire of Halls Creek did not have any significant business activities that met this criterion and is not required to complete this assessment. The Shire is committed to ensuring full compliance with the principles of the National Competition Policy, and therefore monitors its business activities accordingly.

## 7.10 Review of Local Laws

The Local Government Act 1995 requires that the Local Laws be reviewed every 8 years. All the Shire local laws, except the health local law, have been reviewed in the past 3 years. These include the Cemeteries Local Law 2015, the Dogs Local Law 2015 and the Public Places and Local Government Property Local Law 2017. The Shire also gazetted two new local laws, these being the Standing Orders Local Law 2015 and the Fencing Local Law 2017. The review of the Health Local Law is awaiting the 5th Stage of implementation for the New Public Health Act 2016. Shire local laws can be accessed at the Shire of Halls Creek website.

Local Law Reviewed	Action (unchanged, re-pealed or amended)
<b>Cemeteries Local Law 2015</b>	Unchanged
<b>Dogs Local Law 2015</b>	Unchanged
<b>Standing Orders Local Law 2015</b>	Unchanged
<b>Local Government Act Local Law 2002</b>	Repealed
<b>Local Government Property Local Law 2017</b>	Unchanged
<b>Fencing Local Law 2017</b>	Unchanged
<b>Health Local Law 2002</b>	Unchanged and due for review
<b>Waste Local Law 2019</b>	New



## 7.11 Disability Services Act

It is a requirement of the WA Disability Services Act that all local government authorities develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the authority will ensure that people with disabilities have equal access to its facilities and services.

The Shire adopted its first Disability Service Plan (DSP) in December 1995 to address the barriers within the community for people with disabilities and to address its statutory requirements under the WA Disability Services Act (1993).

An updated DAIP was developed in 2004 following consultation with the community. In 2008, the Shire undertook to review its DAIP, consult with stakeholders and draft a new Disability Access and Inclusion Plan to guide further improvements to access and inclusion and meet the requirements of the amended WA Disability Services Act.

The Shire contracted an independent disability consultancy firm, E-QUAL, to review existing documentation, conduct the consultation and draft a DAIP for the Shire. The Disability Access and Inclusion Draft Plan received input from individuals and groups in the community.

As required by the WA Disability Services Act, the Shire is required to review the progress of the DAIP, to compare proposed outcomes to achievements. A review was completed and submitted to the Disability Services Commission before being endorsed by Council at the Ordinary Council Meeting in February 2018.

The following 7 outcomes are the focus of the SoHC Disability Access and Inclusion Plan.

**Outcome 1:** 'People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.'

**Outcome 2:** 'People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority'.

**Outcome 3:** 'People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it'.

**Outcome 4:** 'People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority'.

**Outcome 5:** 'People with disability have the same opportunities as other people to make complaints to a public authority'.

**Outcome 6:** 'People with disability have the same opportunities as other people to participate in any public consultation by a public authority'.

**Outcome 7:** 'People with disability have the same opportunities as other people to obtain and maintain employment with a public authority'.

### Outcomes Completed

Disability Access and Inclusion initiatives planned and undertaken during 2020/21 linked to Outcomes:

Outcome Area	No. of Initiatives	Initiatives Progresses
General Services and events	2	2

<b>Building and facilities</b>	5	1
<b>Library Upgrade - Accessibility</b>	1	1
<b>Information and Communication</b>	1	1
<b>Level and quality of service</b>	2	2
<b>Complaints</b>	0	0
<b>Consultation</b>	0	0
<b>Employment</b>	1	1

### **Footpath Program**

Shire of Halls Creek footpath program (part funded State) caters for pram ramps. In the 1.2km of additional paths now being constructed - Pram ramps (11) are being installed to a value of approx. \$11k.

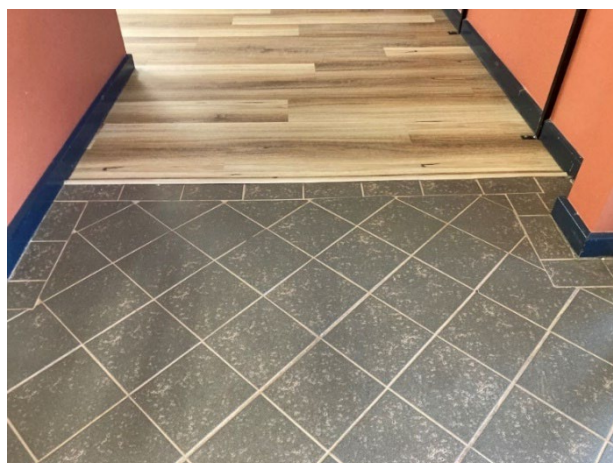


## Library Upgrade

Improved flooring, shelving, open spaces for wheelchair access




Level floor between finishes for wheelchair access



## 7.12 Council Meetings Held

In 2020/21, Council held 11 Ordinary Council meetings, 0 Special Council Meeting, 1 General Electors meeting and 2 Audit Committee meeting.

Elected member	Ordinary Council Meeting (11)	Special Council Meeting (0)	General Electors Meeting (1)	Audit Committee (1)
<b>Cr Edwards</b> <b>(President)</b>	11	0	1	2
<b>Cr Loessl (Deputy)</b>	10/11*	0	1	2*
<b>Cr B. Edwards</b>	10/11*	0	1	0
<b>Cr O'Neil</b>	10/11*	0	1	1
<b>Cr Stretch</b>	7/11	0	0	1



<b>Cr Gordon</b>	4/9	0	0	0
<b>Cr McKay</b>	11/11	0	0	0

\* Deputy President Chris Loessl attended 6/10 Ordinary Council Meetings via video linkage.

\* Deputy President Chris Loessl attended 2/2 Audit Committee Meetings via video linkage.

\* One Leave of Absence for Deputy President Chris Loessl.

\* One Leave of Absence for Cr Bonnie Edwards.

\* One Leave of Absence for Cr Virginia O'Neil.

### 7.13 Council Committees - Delegation

Audit Committee - delegated by the Council to meet annually with the Shire of Halls Creek's Auditors, all remaining Committees have no standing delegations and decision-making authority.

### 7.14 Records Management and the State Records Act 2000

The Shire of Halls Creek maintains a Recordkeeping Plan approved by the State Records Commission in 2014, as required under the State Records Act. It is also a requirement of the Commission that the Shire includes information about the Shire's records management in its Annual Report.

A review of the Recordkeeping Plan was completed and submitted to the State Records Office in March 2019 along with a risk management plan. The review was approved by State Records in August 2019.

In the year of review various improvements made to the management of the Shire's record were recorded in accordance with the plan, with the actions implemented and reported back to State Records. This ensures best practice is followed in managing the Shire's records.

## 8. Audited Annual Financial Report

Local Governments in WA are required to complete Annual Statements by the 30<sup>th</sup> September and Audits by the 31<sup>st</sup> December each year. In 2021, significant delays to the commencement of the interim Audit cycle and then the Annual Audit are addressed in correspondence by the Auditor General below.





Our Ref: 8314



7th Floor, Albert Facey House  
469 Wellington Street, Perth

**Mail to:** Perth BC  
PO Box 8489  
PERTH WA 6849

**Tel:** 08 6557 7500  
**Email:** [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Dear President Edwards

**2020-21 ANNUAL FINANCIAL AUDIT REPORT DELAY FOR SHIRE OF HALLS CREEK**

Under section 7.9 of the *Local Government Act 1995*, I am required to prepare a report by 31 December on my Office's audit of your entity's annual financial report for the 2020-21 financial year.

I am aware my Office will not deliver this report to you within the stipulated timeframe. Yours is one of a number of our local government audits that have been delayed this year. This is largely due to increasingly complex reporting and audit issues contributing to longer audits across the entire public sector. Other factors contributing to these delays include the carryover work of some significant findings in our State sector audits, and the quality of financial records and availability of staff in a number of local government entities which has affected our teams' ability to finalise audits sooner. Some entities have also requested to have their exit meeting postponed to February 2022, while some others have sought extensions from the Department of Local Government, Sport and Cultural Industries.

In addition, COVID-19 border closures have resulted in a labour shortage in the audit profession, and while some other audit offices throughout Australasia have been granted extended reporting deadlines through legislative amendments, this has not occurred in Western Australia. My Office will formally communicate these impacts to Government and our parliamentary committees.

I do regret our inability to provide your audit report prior to year-end, as it has flow-on consequences for us all, and I thank you for your understanding. My Office aims to finalise your audit and deliver it to you as soon as practicable, understanding that many of our auditors will be taking well-earned leave throughout January 2022 following gruelling audit seasons. I also appreciate the support of your staff providing any outstanding audit information to our Office (or contract audit firm) when it can be collated. I recognise your team may also be taking a much needed break in this period.

I would welcome a debrief between council staff and our audit team following the audit to discuss ways we may be able to improve our respective processes to ensure timely delivery next year. I continue to engage with Government on reporting requirements for the sector.

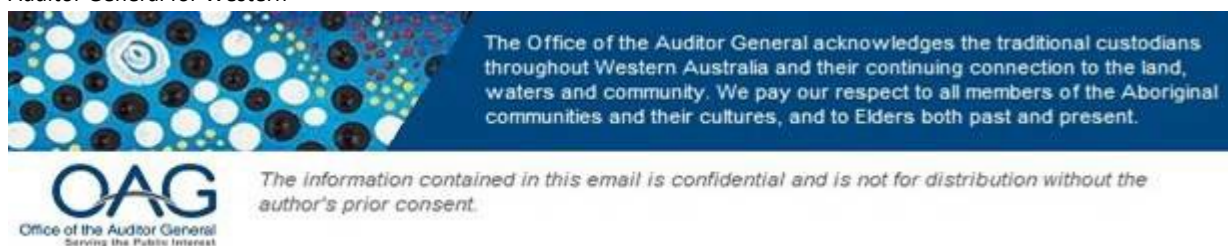
A copy of this letter has also been sent to your CEO, Mr Noel Mason.

I extend my very best wishes to you, your staff and all in your community for a very Merry Christmas and pleasant and restful festive period.

Yours faithfully

Caroline Spencer

Auditor General for Western



Australia

[www.audit.wa.gov.au](http://www.audit.wa.gov.au)

The following pages constitute the Shire of Halls Creek Financial Reporting for the year ending 30 June 2021. The Audited Annual Financial report is provided as (Appendix 1) to this report.

8.1 Audit Report

8.2 Financial Statements



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Halls Creek

To the Councillors of the Shire of Halls Creek

## Report on the audit of the annual financial report

### Opinion

I have audited the financial report of the Shire of Halls Creek (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Halls Creek:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 26 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

## **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

## **Auditor's responsibility for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **Report on other legal and regulatory requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:
  - a) The Asset Sustainability Ratio, Operating Surplus Ratio and Own Source Revenue Coverage Ratio have been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past three years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - b) The Shire has not reported the Asset Renewal Funding Ratio for the two preceding financial years ended 30 June 2020 and 30 June 2019 as required by section 50(1)(c) of the Financial Management Regulations as information on planned capital renewals and required capital expenditures over a 10 year period not being available.
  - c) Changes made to the supplier masterfiles were not independently reviewed and authorised. This increases the risk of unauthorised changes to key information.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.



- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### **Other information**

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

### **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Halls Creek for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 March 2022

**SHIRE OF HALLS CREEK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**COMMUNITY VISION**

The Shire of Halls Creek town and remote communities are economically diverse, caring and proactive with a strong sense of responsibility and pride.

Principal place of business:  
7 Thomas Street  
Halls Creek  
WA 6770

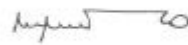
**SHIRE OF HALLS CREEK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Halls Creek for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Halls Creek at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 17 day of March 2022



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Acting Chief Executive Officer

Musa Mono

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Name of Acting Chief Executive Officer



**SHIRE OF HALLS CREEK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
<b>Revenue</b>				
Rates	22(a)	2,764,033	2,713,344	2,638,468
Operating grants, subsidies and contributions	2(a)	9,688,011	4,992,886	5,825,609
Fees and charges	2(a)	850,898	5,394,125	1,058,835
Service charges	22(b)	4,160	3,950	4,160
Interest earnings	2(a)	58,227	67,000	162,125
Other revenue	2(a)	389,096	305,100	87,274
		13,754,425	13,476,405	9,776,471
<b>Expenses</b>				
Employee costs		(4,847,813)	(4,885,999)	(4,803,902)
Materials and contracts		(3,731,081)	(2,154,011)	(2,592,888)
Utility charges		(655,460)	(532,080)	(622,705)
Depreciation on non-current assets	10(c)	(5,661,514)	(5,338,000)	(5,328,439)
Interest expenses	2(b)	(82,760)	(104,672)	(111,479)
Insurance expenses		(488,347)	(422,545)	(344,725)
Other expenditure		(1,308,637)	(4,630,254)	(864,085)
		(16,775,612)	(18,067,561)	(14,668,223)
		(3,021,187)	(4,591,156)	(4,891,752)
Non-operating grants, subsidies and contributions	2(a)	3,209,686	1,555,414	8,484,941
(Loss) on asset disposals	10(a)	(87,446)	0	0
		3,122,240	1,555,414	8,484,941
<b>Net result for the period</b>		<b>101,053</b>	<b>(3,035,742)</b>	<b>3,593,189</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>101,053</b>	<b>(3,035,742)</b>	<b>3,593,189</b>

This statement is to be read in conjunction with the accompanying notes.

\* Please see note 26 for details regarding restatement of an error.



**SHIRE OF HALLS CREEK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
<b>Revenue</b>				
Governance	2(a)	145	0	0
General purpose funding		7,252,584	4,865,344	6,531,499
Law, order, public safety		3,432	6,100	5,887
Health		336,300	330,097	265,415
Education and welfare		1,741,741	1,273,582	1,201,617
Housing		0	190,000	24,544
Community amenities		428,957	445,000	432,188
Recreation and culture		176,059	147,450	167,970
Transport		2,797,470	1,024,925	229,635
Economic services		765,399	547,907	839,654
Other property and services		252,338	4,646,000	78,062
		13,754,425	13,476,405	9,776,471
<b>Expenses</b>				
Governance	2(b)	(466,837)	(614,559)	(682,210)
General purpose funding		(363,371)	(410,399)	(131,593)
Law, order, public safety		(425,300)	(378,018)	(434,794)
Health		(523,522)	(592,727)	(506,268)
Education and welfare		(1,973,469)	(1,351,237)	(1,351,001)
Housing		0	0	(334,033)
Community amenities		(1,088,623)	(1,247,730)	(945,169)
Recreation and culture		(1,941,732)	(1,829,426)	(2,138,091)
Transport		(8,068,051)	(5,958,116)	(5,639,907)
Economic services		(1,512,463)	(1,416,098)	(1,746,993)
Other property and services		(329,484)	(4,164,579)	(646,685)
		(16,692,852)	(17,962,889)	(14,556,744)
<b>Finance Costs</b>				
Housing	2(b)	(43,832)	(52,113)	(69,329)
Transport		(38,928)	(52,559)	(42,150)
		(82,760)	(104,672)	(111,479)
		(3,021,187)	(4,591,156)	(4,891,752)
Non-operating grants, subsidies and contributions	2(a)	3,209,686	1,555,414	8,484,941
(Loss) on disposal of assets	10(a)	(87,446)	0	0
		3,122,240	1,555,414	8,484,941
<b>Net result for the period</b>		<b>101,053</b>	<b>(3,035,742)</b>	<b>3,593,189</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>101,053</b>	<b>(3,035,742)</b>	<b>3,593,189</b>

This statement is to be read in conjunction with the accompanying notes.

\* Please see note 26 for details regarding restatement of an error.



**SHIRE OF HALLS CREEK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 Restated *
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,162,209	7,595,917
Trade and other receivables	5	1,234,235	939,755
Inventories	6	85,173	80,906
Other assets	7	150,724	244,626
<b>TOTAL CURRENT ASSETS</b>		<b>7,632,341</b>	<b>8,861,204</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	8,718	8,858
Property, plant and equipment	8	38,034,033	38,791,495
Infrastructure	9	93,932,805	91,206,026
<b>TOTAL NON-CURRENT ASSETS</b>		<b>131,975,556</b>	<b>130,006,379</b>
<b>TOTAL ASSETS</b>		<b>139,607,897</b>	<b>138,867,583</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	2,179,782	1,416,198
Contract liabilities	13	886,495	76,833
Borrowings	14(a)	892,074	876,387
Employee related provisions	15	469,938	494,507
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,428,289</b>	<b>2,863,925</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(a)	2,647,441	3,539,515
Employee related provisions	15	61,249	94,278
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,708,690</b>	<b>3,633,793</b>
<b>TOTAL LIABILITIES</b>		<b>7,136,979</b>	<b>6,497,718</b>
<b>NET ASSETS</b>		<b>132,470,918</b>	<b>132,369,865</b>
<b>EQUITY</b>			
Retained surplus		34,512,118	33,335,903
Reserves - cash backed	4	4,701,151	5,776,313
Revaluation surplus	11	93,257,649	93,257,649
<b>TOTAL EQUITY</b>		<b>132,470,918</b>	<b>132,369,865</b>

This statement is to be read in conjunction with the accompanying notes.

\* Please see note 26 for details regarding restatement of an error.



**SHIRE OF HALLS CREEK**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>27,086,763</b>	<b>8,432,264</b>	<b>93,257,649</b>	<b>128,776,676</b>
Comprehensive income					
Net result for the period (restated *)		3,593,189	0	0	3,593,189
Total comprehensive income		3,593,189	0	0	3,593,189
Transfers from reserves	4	2,760,712	(2,760,712)	0	0
Transfers to reserves	4	(104,761)	104,761	0	0
<b>Restated balance as at 30 June 2020</b>		<b>33,335,903</b>	<b>5,776,313</b>	<b>93,257,649</b>	<b>132,369,865</b>
Comprehensive income					
Net result for the period		101,053	0	0	101,053
Total comprehensive income		101,053	0	0	101,053
Transfers from reserves	4	1,075,162	(1,075,162)	0	0
<b>Balance as at 30 June 2021</b>		<b>34,512,118</b>	<b>4,701,151</b>	<b>93,257,649</b>	<b>132,470,918</b>

This statement is to be read in conjunction with the accompanying notes.

\* Please see note 26 for details regarding restatement of an error.

**SHIRE OF HALLS CREEK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,650,209	2,713,344	2,690,925
Operating grants, subsidies and contributions		10,220,848	4,917,314	5,018,640
Fees and charges		911,202	5,394,125	1,058,835
Service charges		4,160	3,950	4,160
Interest received		58,227	67,000	162,125
Goods and services tax received		596,382	645,654	1,826,432
Other revenue		389,096	305,100	87,274
		14,830,124	14,046,487	10,848,391
<b>Payments</b>				
Employee costs		(4,885,080)	(4,885,999)	(4,947,725)
Materials and contracts		(2,854,527)	(2,154,011)	(2,531,114)
Utility charges		(655,460)	(532,080)	(622,705)
Interest expenses		(86,562)	(104,672)	(111,479)
Insurance paid		(488,347)	(422,545)	(344,725)
Goods and services tax paid		(626,388)	(645,654)	(1,812,726)
Other expenditure		(1,308,637)	(4,630,254)	(864,085)
		(10,905,001)	(13,375,215)	(11,234,559)
<b>Net cash provided by (used in) operating activities</b>	16	3,925,123	671,272	(386,168)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(943,957)	(1,219,500)	(6,806,119)
Payments for construction of infrastructure	9(a)	(6,774,320)	(3,444,800)	(8,510,503)
Non-operating grants, subsidies and contributions	2(a)	3,235,833	1,555,414	8,484,941
Proceeds from financial assets at amortised cost - term deposits		0	0	5,000,000
Proceeds from sale of property, plant & equipment	10(a)	0	6,000	0
<b>Net cash used in investment activities</b>		(4,482,444)	(3,102,886)	(1,831,681)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(876,387)	(876,387)	(496,948)
Proceeds from new borrowings	14(b)	0	0	4,000,000
<b>Net cash provided by (used in) financing activities</b>		(876,387)	(876,387)	3,503,052
<b>Net increase / (decrease) in cash held</b>		(1,433,708)	(3,308,001)	1,285,203
Cash at beginning of year		7,595,917	7,563,851	6,310,714
<b>Cash and cash equivalents at the end of the year</b>	16	6,162,209	4,255,850	7,595,917

This statement is to be read in conjunction with the accompanying notes.

\* Please see note 26 for details regarding restatement of an error.

**SHIRE OF HALLS CREEK**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	23 (b)	1,591,860	1,620,038	1,824,497
		1,591,860	1,620,038	1,824,497
<b>Revenue from operating activities (excluding rates)</b>				
Governance		145	0	0
General purpose funding		4,488,551	2,152,000	3,893,031
Law, order, public safety		3,432	6,100	5,887
Health		336,300	330,097	265,415
Education and welfare		1,741,741	1,273,582	1,201,617
Housing		0	190,000	24,544
Community amenities		428,957	445,000	432,188
Recreation and culture		176,059	147,450	167,970
Transport		2,797,470	1,024,925	229,635
Economic services		765,399	547,907	839,654
Other property and services		252,338	4,646,000	78,062
		10,990,392	10,763,061	7,138,003
<b>Expenditure from operating activities</b>				
Governance		(466,837)	(614,559)	(682,210)
General purpose funding		(363,371)	(410,399)	(131,593)
Law, order, public safety		(425,300)	(378,018)	(434,794)
Health		(594,366)	(592,727)	(506,268)
Education and welfare		(1,973,469)	(1,351,237)	(1,351,001)
Housing		(43,832)	(52,113)	(403,362)
Community amenities		(1,088,623)	(1,247,730)	(945,169)
Recreation and culture		(1,941,732)	(1,829,426)	(2,138,091)
Transport		(8,106,979)	(6,010,675)	(5,682,057)
Economic services		(1,512,463)	(1,416,098)	(1,746,993)
Other property and services		(346,086)	(4,164,579)	(646,685)
		(16,863,058)	(18,067,561)	(14,668,223)
Non-cash amounts excluded from operating activities	23(a)	5,691,502	5,338,000	5,331,793
<b>Amount attributable to operating activities</b>		1,410,696	(346,462)	(373,930)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	3,209,686	1,555,414	8,484,941
Proceeds from disposal of assets	10(a)	0	6,000	0
Purchase of property, plant and equipment	8(a)	(943,957)	(1,219,500)	(6,806,119)
Purchase and construction of infrastructure	9(a)	(6,774,320)	(3,444,800)	(8,510,503)
<b>Amount attributable to investing activities</b>		(4,508,591)	(3,102,886)	(6,831,681)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(876,387)	(876,387)	(496,948)
Proceeds from borrowings	14(b)	0	0	4,000,000
Transfers to reserves (restricted assets)	4	0	(537,000)	(104,761)
Transfers from reserves (restricted assets)	4	1,075,162	2,149,391	2,760,712
<b>Amount attributable to financing activities</b>		198,775	736,004	6,159,003
<b>Deficit before imposition of general rates</b>		(2,899,120)	(2,713,344)	(1,046,608)
<b>Total amount raised from general rates</b>	22(a)	2,764,033	2,713,344	2,638,468
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>(135,087)</b>	<b>0</b>	<b>1,591,860</b>

This statement is to be read in conjunction with the accompanying notes.

\* Please see note 26 for details regarding restatement of an error.

**SHIRE OF HALLS CREEK**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- Employee expenses
- Property, plant and equipment
- Infrastructure
- Trade and other receivables
- Contract liabilities
- Depreciation expense

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Restated * \$</b>
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	4,344,403	2,061,000	3,680,175
Health	266,689	318,597	259,189
Education and welfare	1,736,523	1,273,082	1,201,617
Recreation and culture	59,081	46,000	59,485
Transport	2,775,776	1,007,925	194,740
Economic services	495,107	286,282	428,032
Other property and services	10,432	0	2,371
	<b>9,688,011</b>	<b>4,992,886</b>	<b>5,825,609</b>
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	33,853	565,000	139,899
Transport	1,707,474	990,414	2,210,676
Economic services	0	0	5,000
Other property and services	1,468,359	0	6,129,366
	<b>3,209,686</b>	<b>1,555,414</b>	<b>8,484,941</b>
<b>Total grants, subsidies and contributions</b>	<b>12,897,697</b>	<b>6,548,300</b>	<b>14,310,550</b>
<b>Fees and charges</b>			
Governance	145	0	0
General purpose funding	3,205	4,000	27,260
Law, order, public safety	3,433	5,700	5,822
Health	69,611	11,500	6,226
Education and welfare	5,218	0	0
Housing	0	190,000	24,544
Community amenities	427,273	432,000	432,188
Recreation and culture	112,818	97,300	104,325
Transport	21,693	17,000	34,895
Economic services	207,154	90,625	396,000
Other property and services	348	4,546,000	27,575
	<b>850,898</b>	<b>5,394,125</b>	<b>1,058,835</b>

There were no changes to the amounts of fees or charges detailed in the original budget.

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

\* Please see note 26 for details regarding restatement of an error.

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Contracts with customers and transfers  
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Restated * \$
Operating grants, subsidies and contributions	2,566,492	1,002,925	0
Fees and charges	757,981	5,367,725	1,038,879
Other revenue	65,716	183,600	4,084
Non-operating grants, subsidies and contributions	3,209,686	1,555,414	8,484,941
	6,599,875	8,109,664	9,527,904

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	76,833	0	518,655
Revenue from contracts with customers recognised during the year	3,313,356	6,554,250	1,042,963
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	3,209,686	1,555,414	6,129,366
	6,599,875	8,109,664	7,690,984

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Contract liabilities from contracts with customers	(860,348)	0	(76,833)
Financial assets held from transfers for recognisable financial assets	26,147		0
Grant liabilities from transfers for recognisable non financial assets	(26,147)		0

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

\* Please see note 26 for details regarding restatement of an error.

## 2. REVENUE AND EXPENSES (Continued)

## Revenue from statutory requirements

General rates  
Service charges  
Statutory permits and licences  
Fines

## Other revenue

## Interest earnings

## SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

2021 Actual \$	2021 Budget \$	2020 Actual \$
2,764,033	2,713,344	2,638,468
4,160	3,950	4,160
92,332	23,800	18,728
585	2,600	1,228
2,861,110	2,743,694	2,662,584
323,380	121,500	83,190
62,939	0	0
2,777	183,600	4,084
389,096	305,100	87,274
0	20,000	59,884
58,227	36,500	81,736
0	10,500	20,505
58,227	67,000	162,125

## Interest earnings (continued)

\* Please see note 26 for details regarding restatement of an error.

## Auditors remuneration

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	57,500	65,000	57,900
	2,255	0	6,955
	59,755	65,000	64,855
14(b)	82,760	104,672	111,479
	82,760	104,672	111,479



**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3. CASH AND CASH EQUIVALENTS**

NOTE	2021	2020
	\$	\$
	6,162,209	7,595,917
	6,162,209	7,595,917
	5,587,646	6,191,370
	5,587,646	6,191,370
4	4,701,151	5,776,313
13	860,348	76,833
13	26,147	0
	0	338,224
	5,587,646	6,191,370

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**4. RESERVES - CASH BACKED**

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	715,135	0	(173,162)	541,973	715,134	2,476	(59,562)	658,048	729,344	12,614	(26,823)	715,135
(b) Computer upgrade reserve	231,198	0	0	231,198	231,199	801	(19,256)	212,744	240,626	2,572	(12,000)	231,198
(c) Office redevelopment reserve	924,552	0	0	924,552	924,553	3,201	(77,004)	850,750	909,521	15,031	0	924,552
(d) Refuse site rehabilitation reserve	62,867	0	0	62,867	62,867	218	(5,236)	57,849	62,097	770	0	62,867
(e) Airport works reserve	503,426	0	0	503,426	503,426	1,743	(41,929)	463,240	494,249	9,177	0	503,426
(f) Plant replacement reserve	1,174,057	0	(760,000)	414,057	1,174,057	519,065	(1,039,189)	653,933	3,249,011	45,046	(2,120,000)	1,174,057
(g) Staff housing reserve	664,020	0	0	664,020	664,020	2,299	(55,304)	611,015	854,285	9,735	(200,000)	664,020
(h) Re-broadcasting reserve	65,977	0	0	65,977	65,977	228	(5,495)	60,710	64,774	1,203	0	65,977
(i) Aquatic reserve reserve	404,434	0	0	404,434	404,434	1,400	(308,784)	97,050	547,528	6,906	(150,000)	404,434
(j) Energy developments reserve	103,647	0	0	103,647	103,646	359	(8,632)	95,373	101,940	1,707	0	103,647
(k) Yarlliyil surplus reserve	0	0	0	0	0	0	0	0	101,889	0	(101,889)	0
(l) Mosquito reserve	2,000	0	0	2,000	2,000	2,007	(333)	3,674	2,000	0	0	2,000
(m) Town planning development reserve	925,000	0	(142,000)	783,000	925,000	3,203	(528,667)	399,536	1,075,000	0	(150,000)	925,000
	5,776,313	0	(1,075,162)	4,701,151	5,776,313	537,000	(2,149,391)	4,163,922	8,432,264	104,761	(2,760,712)	5,776,313

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund long service leave and/or other significant payments that may be required upon termination of an employee.
(b) Computer upgrade reserve	Ongoing	To be used to fund the upgrade and/or replacement of the Shire's electronic and network operating system or any of the administrative or financial management computer operating systems.
(c) Office redevelopment reserve	Ongoing	To be used for the extension/major re-development of the Administration Office building and associated buildings.
(d) Refuse site rehabilitation reserve	Ongoing	Funds to be set aside for the rehabilitation of the refuse site upon closure.
(e) Airport works reserve	Ongoing	To be used to fund major operational or major capital works required at the Halls Creek Airport.
(f) Plant replacement reserve	Ongoing	To be used for the purchase of major capital upgrade of plant items.
(g) Staff housing reserve	Ongoing	To be used for the construction, renovation, development or purchase of residential housing and land utilised by the Shire of Halls Creek for the provision of staff housing.
(h) Re-broadcasting reserve	Ongoing	To be used to fund the upgrade, new purchase of re-broadcasting equipment, for both television and radio, as per the Shire's re-broadcasting commitments.
(i) Aquatic reserve reserve	Ongoing	To be used to fund any major repairs, upgrade or capital requirements of the Shire of Halls Creek aquatic and recreation centre.
(j) Energy developments reserve	Ongoing	To distribute monies to members or organisations in the Shire of Halls Creek (other than the Shire itself) to be used solely for not-for-profit projects or activities that benefit the Shire of Halls Creek and EDL NGD (WA) PTY LTD.
(k) Yarlliyil surplus reserve	n/a	To be used for Yarlliyi expenditure requirements.
(l) Mosquito reserve	Ongoing	To have access to extra funds in years where mosquito-borne disease/nuisance is greater than normal.
(m) Town planning development reserve	Ongoing	To be used for town planning and development.

## 5. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for expected credit loss	
ESL receiveable	

### Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2021	2020
\$	\$
683,229	609,129
764,512	520,656
47,001	16,995
(267,329)	(207,025)
6,822	0
1,234,235	939,755
8,718	8,858
8,718	8,858

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

## 6. INVENTORIES

### Current

Fuel and materials

The following movements in inventories occurred during the year:

### Balance at beginning of year

Inventories expensed during the year

Additions to inventory

### Balance at end of year

	2021	2020
	\$	\$
	85,173	80,906
	85,173	80,906
	80,906	88,419
	(320,099)	(244,026)
	324,366	236,513
	85,173	80,906

## SIGNIFICANT ACCOUNTING POLICIES

### General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 7. OTHER ASSETS

### Other assets - current

Accrued income

	2021	2020
	\$	\$
	150,724	244,626
	150,724	244,626

### SIGNIFICANT ACCOUNTING POLICIES

#### Accrued income

Financial assets recognised when contractual activities are only partially performed and payment has not been received. Income is recognised on a pro rata basis over time as the terms of the agreement are fulfilled.



## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	5,110,000	8,937,602	17,284,975	31,332,577	203,892	1,565,800	331,365	33,433,634
Additions	0	0	328,882	328,882	38,169	6,439,068	0	6,806,119
Depreciation (expense)	0	(235,199)	(650,235)	(885,434)	(29,779)	(515,876)	0	(1,431,089)
Transfers	0	0	314,196	314,196	0	0	(331,365)	(17,169)
<b>Balance at 30 June 2020</b>	5,110,000	8,702,403	17,277,818	31,090,221	212,282	7,488,992	0	38,791,495
<b>Comprises:</b>								
Gross balance at 30 June 2020	5,110,000	9,408,000	19,174,745	33,692,745	270,761	8,017,568	0	41,981,074
Accumulated depreciation at 30 June 2020	0	(705,597)	(1,896,927)	(2,602,524)	(58,479)	(528,576)	0	(3,189,579)
<b>Balance at 30 June 2020</b>	5,110,000	8,702,403	17,277,818	31,090,221	212,282	7,488,992	0	38,791,495
Additions	0	0	61,717	61,717	6,210	876,030	0	943,957
(Disposals)	0	0	0	0	0	(87,446)	0	(87,446)
Depreciation (expense)	0	(242,811)	(652,276)	(895,087)	(32,255)	(686,631)	0	(1,613,973)
Transfers	0	152,163	(152,163)	0	0	0	0	0
<b>Balance at 30 June 2021</b>	5,110,000	8,611,755	16,535,096	30,256,851	186,237	7,590,945	0	38,034,033
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	5,110,000	9,583,000	19,061,462	33,754,462	276,971	8,793,458	0	42,824,891
Accumulated depreciation at 30 June 2021	0	(971,245)	(2,526,366)	(3,497,611)	(90,734)	(1,202,513)	0	(4,790,858)
<b>Balance at 30 June 2021</b>	5,110,000	8,611,755	16,535,096	30,256,851	186,237	7,590,945	0	38,034,033

## 8. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Price per hectare with reference to current zonings of land. Market values were used unless there were some restrictions or other factors associated with the land.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Construction costs and current condition residual values and remaining useful life assessment inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Construction costs and current condition residual values and remaining useful life assessment inputs

Level 3 inputs are based on the assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

## 9. INFRASTRUCTURE

### (a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Infrastructure - other	Work in progress	Total Infrastructure
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	81,228,962	5,331,554	15,188	86,575,704
Additions - (restated *)	2,005,908	36,130	6,468,465	8,510,503
Depreciation (expense)	(3,460,926)	(436,424)	0	(3,897,350)
Transfers	(927)	33,284	(15,188)	17,169
<b>Balance at 30 June 2020 (restated *)</b>	79,773,017	4,964,544	6,468,465	91,206,026
<b>Comprises:</b>				
Gross balance at 30 June 2020 (restated *)	86,533,323	5,853,501	6,468,465	98,855,289
Accumulated depreciation at 30 June 2020	(6,760,306)	(888,957)	0	(7,649,263)
<b>Balance at 30 June 2020 (restated *)</b>	79,773,017	4,964,544	6,468,465	91,206,026
Additions	4,876,349	249,832	1,648,139	6,774,320
Depreciation (expense)	(3,628,308)	(419,233)	0	(4,047,541)
<b>Balance at 30 June 2021</b>	81,021,058	4,795,143	8,116,604	93,932,805
<b>Comprises:</b>				
Gross balance at 30 June 2021	91,409,672	6,103,333	8,116,604	105,629,609
Accumulated depreciation at 30 June 2021	(10,388,614)	(1,308,190)	0	(11,696,804)
<b>Balance at 30 June 2021</b>	81,021,058	4,795,143	8,116,604	93,932,805

\* Please see note 26 for details regarding restatement of an error.

### Duncan/ Gordon Downs Road road upgrade project

Included in the work in progress as at the reporting date are capitalised costs of \$8,075,484 (2020 - \$6,468,465) in relation to road improvements on the Duncan /Gordon Downs Road (the Road). In 2019 the Shire and Main Roads Western Australia (Main Roads) entered into a partnership agreement in relation to road improvements on the Road under the "Roads of Significant Program" (\$51 million of Federal and State Government funding over four years), with Main Roads being the project manager. While ownership of parts of the road are subject to the resolution of native title claims and alignment issues, capitalisation of the works undertaken by the Shire has been made. All the Shire's Infrastructure assets are due to be revalued in financial year ended 30 June 2023, which would include upgrade works undertaken by Main Roads as well as the Shire, on this Road. It is possible that some or part of the Road asset may be transferred from the Shire to Main Roads upon completion of the works.

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction and current condition residual values and remaining useful life assessment inputs.
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction and current condition residual values and remaining useful life assessment inputs.

Level 3 inputs are based on the assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of infrastructure using level 3 inputs.

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.



**SHIRE OF HALLS CREEK**  
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**10. FIXED ASSETS**

**(a) Disposals of Assets**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	87,446	0	0	(87,446)	6,000	6,000	0	0	0	0	0	0
	87,446	0	0	(87,446)	6,000	6,000	0	0	0	0	0	0

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Health</b>				
Toyota NG Hilux SR Double Cab	23,704	0	0	(23,704)
Toyota Hilux workmate S/Cab	47,140	0	0	(47,140)
<b>Other property and services</b>				
2011 Toyota Troop Carrier	16,602	0	0	(16,602)
	87,446	0	0	(87,446)
	87,446	0	0	(87,446)

**(b) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2021	2020
	\$	\$
Furniture and equipment	21,300	24,700
Plant and equipment	12,700	11,100
Infrastructure - other	68,800	68,800
	102,800	104,600

## 10. FIXED ASSETS

### (c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	242,811	275,000	235,199
Buildings - specialised	652,276	620,000	650,235
Furniture and equipment	32,255	30,000	29,779
Plant and equipment	686,631	515,000	515,876
Infrastructure - roads	3,628,308	3,461,000	3,460,926
Infrastructure - other	419,233	437,000	436,424
	<b>5,661,514</b>	<b>5,338,000</b>	<b>5,328,439</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

#### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	8 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 20 years
Roads and streets	
- subgrade	not depreciated
- basecourse unsealed	10 years
- basecourse sealed	40 years
- reseal	15 years
- asphalt	25 years
- sand seal	5 years
- culverts	80 years
- stock grids	80 years
- drainage	25-75 years
Footpaths - concrete	40 years
Footpaths - slabs	30 years
Footpaths - gravel	10 years
Floodways - unsealed	10 years
Floodways - sealed	30 years
Floodways - concrete	80 years

#### Depreciation on revaluation

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	8,755,135	0	0	0	8,755,135	8,755,135	0	0	0	8,755,135
Revaluation surplus - Furniture and equipment	21,395	0	0	0	21,395	21,395	0	0	0	21,395
Revaluation surplus - Plant and equipment	866,220	0	0	0	866,220	866,220	0	0	0	866,220
Revaluation surplus - Infrastructure - roads	79,271,111	0	0	0	79,271,111	79,271,111	0	0	0	79,271,111
Revaluation surplus - Infrastructure - other	4,343,788	0	0	0	4,343,788	4,343,788	0	0	0	4,343,788
	93,257,649	0	0	0	93,257,649	93,257,649	0	0	0	93,257,649

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
Bonds and deposits held
Accrued interest on long term loans
Accrued expenses

2021	2020
\$	\$
1,715,762	437,400
20,242	60,106
23,717	3,386
406,200	338,224
13,861	17,663
0	559,419
2,179,782	1,416,198

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

13. CONTRACT LIABILITIES

Current

Contract liabilities - services to be provided  
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

2021	2020
\$	\$
860,348	76,833
26,147	0
886,495	76,833
	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
Contract liabilities	
\$	\$
860,348	26,147
860,348	26,147

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.



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14. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	892,074	876,387
Non-current	2,647,441	3,539,515
	3,539,515	4,415,902

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Actual
				1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																
Triplex	23	WATC	3.29%	203,019	(40,076)	(4,731)	162,943	183,310	(40,076)	(12,903)	143,234	240,546	0	(37,527)	(22,168)	203,019
Housing units	25	WATC	3.33%	602,112	(50,771)	(39,101)	551,341	602,112	(50,771)	(39,210)	551,341	672,304	0	(70,192)	(47,161)	602,112
<b>Transport</b>																
Plant & Equipment	26	WATC	1.68%	3,610,771	(785,540)	(38,928)	2,825,231	3,610,770	(785,540)	(52,559)	2,825,230	0	4,000,000	(389,229)	(42,150)	3,610,771
				4,415,902	(876,387)	(82,760)	3,539,515	4,396,192	(876,387)	(104,672)	3,519,805	912,850	4,000,000	(496,948)	(111,479)	4,415,902

\* WA Treasury Corporation

**SHIRE OF HALLS CREEK**  
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**14. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	1,000,000	1,000,000
Bank overdraft at balance date	0	0
Credit card limit	200,000	200,000
Credit card balance at balance date	(3,156)	0
<b>Total amount of credit unused</b>	<b>1,196,844</b>	<b>1,200,000</b>
<b>Loan facilities</b>		
Loan facilities - current	892,074	876,387
Loan facilities - non-current	2,647,441	3,539,515
<b>Total facilities in use at balance date</b>	<b>3,539,515</b>	<b>4,415,902</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**Risk**

Information regarding exposure to risk can be found at Note 24.

## 15. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

#### Opening balance at 1 July 2020

Current provisions  
Non-current provisions

Additional provision  
Amounts used

#### Balance at 30 June 2021

#### Comprises

Current  
Non-current

#### Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date  
More than 12 months from reporting date

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	398,940	95,567	494,507
Non-current provisions	0	94,278	94,278
	398,940	189,845	588,785
Additional provision	328,847	41,111	369,958
Amounts used	(397,071)	(30,485)	(427,556)
Balance at 30 June 2021	330,716	200,471	531,187
Comprises			
Current	330,716	139,222	469,938
Non-current	0	61,249	61,249
	330,716	200,471	531,187

	2021	2020
	\$	\$
Less than 12 months after the reporting date	333,373	394,347
More than 12 months from reporting date	197,814	194,438
	531,187	588,785

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

## SIGNIFICANT ACCOUNTING POLICIES

### Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

### Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

### Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## 16. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2021 Actual \$	2021 Budget \$	2020 Restated * \$
Cash and cash equivalents	6,162,209	4,255,850	7,595,917
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	101,053	(3,035,742)	3,593,189
Non-cash flows in Net result:			
Depreciation on non-current assets	5,661,514	5,338,000	5,328,439
(Profit)/loss on sale of asset	87,446	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(294,340)	0	(350,284)
(Increase)/decrease in other assets	93,902	0	(177,067)
(Increase)/decrease in inventories	(4,267)	0	7,513
Increase/(decrease) in payables	763,584	0	137,761
Increase/(decrease) in employee provisions	(57,598)	0	1,044
Increase/(decrease) in other liabilities	809,662	(75,572)	(441,822)
Non-operating grants, subsidies and contributions	(3,235,833)	(1,555,414)	(8,484,941)
Net cash from/used in operating activities	3,925,123	671,272	(386,168)

\* Please see note 26 for details regarding restatement of an error.

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020 Restated *
	\$	\$
General purpose funding	1,978,989	559,400
Law, order, public safety	166,892	174,951
Health	47,578	56,070
Education and welfare	365,670	9,678
Housing	11,525,775	11,768,586
Community amenities	2,122,186	2,135,394
Recreation and culture	12,868,503	13,306,479
Transport	95,606,997	92,331,118
Economic services	3,658,880	3,565,744
Other property and services	11,266,427	12,425,813
Unallocated	0	2,534,350
	139,607,897	138,867,583

\* Please see note 26 for details regarding restatement of an error.

## 18. CONTINGENT LIABILITIES

The Shire has a possible site which would require remediation being:

- Halls Creek landfill site

Until the Shire updates its investigations to determine the remediation requirements, the Shire is unable to accurately quantify its remediation liability.



19. CAPITAL COMMITMENTS

The Shire has no commitments for capital expenditure as at 30 June 2021.

2021	2020
\$	\$
Nil	Nil

## 20. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member President - M Edwards</b>			
President's annual allowance	9,639	9,639	10,003
Meeting attendance fees	9,639	9,639	10,004
ICT expenses	3,276	3,000	3,402
Travel and accommodation expenses	1,782	5,000	9,952
	24,336	27,278	33,361
<b>Elected member Deputy President - C Loessl</b>			
Deputy President's annual allowance	2,410	2,409	2,501
Meeting attendance fees	9,639	9,639	10,004
ICT expenses	3,276	3,000	3,402
Travel and accommodation expenses	634	3,000	1,927
	15,959	18,048	17,834
<b>Elected member - B Edwards</b>			
Meeting attendance fees	9,639	9,639	10,004
ICT expenses	3,276	3,000	3,402
Travel and accommodation expenses	0	2,200	0
	12,915	14,839	13,406
<b>Elected member - D Gordon</b>			
Meeting attendance fees	7,785	9,639	6,673
ICT expenses	2,646	3,000	2,268
Travel and accommodation expenses	0	2,200	0
	10,431	14,839	8,941
<b>Elected member - P McKay</b>			
Meeting attendance fees	9,639	9,639	6,673
ICT expenses	3,276	3,000	2,268
Travel and accommodation expenses	0	2,200	0
	12,915	14,839	8,941
<b>Elected member - R Stretch</b>			
Meeting attendance fees	9,639	9,639	10,003
ICT expenses	3,276	3,000	3,402
Travel and accommodation expenses	0	2,200	1,866
	12,915	14,839	15,271
<b>Elected member - V O'Neil</b>			
Meeting attendance fees	9,639	9,639	10,003
ICT expenses	3,276	3,000	3,402
Travel and accommodation expenses	0	2,200	1,343
	12,915	14,839	14,748
<b>Elected member - B Perkins</b>			
Meeting attendance fees	0	0	3,330
ICT expenses	0	0	1,134
Travel and accommodation expenses	0	0	1,723
	0	0	6,187
<b>Elected member - T Bedford</b>			
Meeting attendance fees	0	0	3,330
ICT expenses	0	0	1,134
Travel and accommodation expenses	0	0	902
	0	0	5,366
	102,386	119,521	124,055

## 20. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	9,639	9,639	10,003
Deputy President's allowance	2,410	2,409	2,501
Meeting attendance fees	65,619	67,473	70,024
ICT expenses	22,302	21,000	23,814
Travel and accommodation expenses	2,416	19,000	17,713
	102,386	119,521	124,055

21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	774,738	971,286
Post-employment benefits	73,471	58,656
Other long-term benefits	34,499	87,692
Termination benefits	8,848	25,007
	891,556	1,142,641

*Short-term employee benefits*  
These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

*Post-employment benefits*  
These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

*Other long-term benefits*  
These amounts represent long service benefits accruing during the year.

*Termination benefits*  
These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

Councillor McKay is a co-owner of a hardware business called D&T Hardware, which has been paid for the supply of goods.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2021	2020
	Actual	Actual
	\$	\$
Purchase of goods and services	2,259	15,290
Amounts payable to related parties:		
Trade and other payables	0	226

Related Parties

The Shire's main related parties are as follows:

- i. Key management personnel  
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.
- ii. Other Related Parties  
An associate person of KMP was employed by the Shire under normal employment terms and conditions.  
  
Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

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22. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
<b>Gross rental valuations</b>												
Town	0.08412	330	12,637,408	1,063,059	(257)	(8,266)	1,054,536	1,058,859	15,000	0	1,073,859	1,077,887
Town Vacant	0.14185	2	40,090	5,687	0	0	5,687	5,687	0	0	5,687	5,687
<b>Unimproved valuations</b>												
Rural/Pastoral	0.01120	24	33,726,092	377,732	0	0	377,732	377,732	0	0	377,732	377,134
Mining	0.38269	32	1,816,572	695,184	25,151	0	720,335	695,184	10,000	0	705,184	662,243
Prospecting/Exploration	0.23338	32	89,054	520,123	(22,957)	12,566	509,732	467,972	0	0	467,972	438,961
<b>Sub-Total</b>		420	48,309,216	2,661,785	1,937	4,300	2,668,022	2,605,434	25,000	0	2,630,434	2,561,912
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
Town	822	4	14,735	3,288	0	0	3,288	3,288	0	0	3,288	3,288
Town Vacant	1,643	18	45,490	29,574	0	0	29,574	14,787	0	0	14,787	13,144
<b>Unimproved valuations</b>												
Rural/Pastoral	821	23	201,600	18,883	0	0	18,883	18,883	0	0	18,883	16,420
Mining	821	6	6,732	4,926	0	0	4,926	4,926	0	0	4,926	4,926
Prospecting/Exploration	562	22	34,171	39,340	0	0	39,340	41,026	0	0	41,026	38,778
<b>Sub-Total</b>		73	302,728	96,011	0	0	96,011	82,910	0	0	82,910	76,556
<b>Total amount raised from general rate</b>		493	48,611,944	2,757,796	1,937	4,300	2,764,033	2,688,344	25,000	0	2,713,344	2,638,468
							2,764,033				2,713,344	2,638,468

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.



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22. RATING INFORMATION (Continued)

(b) Service Charges

	Amount of Charge	2020/21 Actual Revenue Raised	2020/21 Actual Charges Applied to Costs	2020/21 Actual Charges Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Revenue	2020/21 Budget Charges Applied to Costs	2020/21 Budget Charges Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs	2019/20 Total Actual Revenue
<b>Service Charges</b>										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Television and radio re-broadcasting services	10	4,160	4,160	0	0	3,950	3,950	0	0	4,160
		4,160	4,160	0	0	3,950	3,950	0	0	4,160

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
Television and radio re-broadcasting services	To provide TV and radio re-broadcasting within the shire.	To fund the cost of providing TV and radio re-broadcasting maintenance and upgrades.	Properties within the range of the re-broadcasting facilities.

## 22. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	5/10/2020	0	0%	8%
<b>Option Two</b>				
First instalment	5/10/2020	0	0%	8%
Second instalment	7/12/2020	20	0%	8%
Third instalment	8/02/2021	20	0%	8%
Fourth instalment	8/04/2021	20	0%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	58,227	35,000	78,838
Interest on instalment plan	0	1,500	2,898
Charges on instalment plan	3,320	2,000	2,420
	61,547	38,500	84,156

## 23. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Movement in liabilities associated with restricted cash	(24,569)	0	0
Movement in pensioner deferred rates (non-current)	140	0	2,310
Movement in employee benefit provisions (non-current)	(33,029)	0	1,044
Add: Loss on disposal of assets	10(a) 87,446	0	0
Add: Depreciation on non-current assets	10(c) 5,661,514	5,338,000	5,328,439
<b>Non cash amounts excluded from operating activities</b>	5,691,502	5,338,000	5,331,793
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash backed	4 (4,701,151)	(4,163,922)	(5,776,313)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14(a) 892,074	472,782	876,387
- Current portion of contract liability held in reserve	0	(75,572)	0
- Employee benefit provisions	469,938	495,306	494,507
<b>Total adjustments to net current assets</b>	(3,339,139)	(3,271,406)	(4,405,419)
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	7,632,341	5,202,495	8,861,204
Less: Total current liabilities	(4,428,289)	(1,931,089)	(2,863,925)
Less: Total adjustments to net current assets	(3,339,139)	(3,271,406)	(4,405,419)
<b>Net current assets used in the Rate Setting Statement</b>	(135,087)	0	1,591,860

## 24. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Cash and cash equivalent and borrowings	Sensitivity analysis	Diversification of bank deposits in accordance with investment policies and utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents and trade receivables	Aging analysis Credit analysis	Diversification of bank deposits, credit limits and investment policy
Liquidity risk	Payables and borrowings	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities (refer to note 14(c)) also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.00%	6,162,209	0	6,161,474	735
<b>2020</b>					
Cash and cash equivalents	0.00%	7,595,917	0	7,595,182	735

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

Impact of a 1% movement in interest rates on profit and loss and equity\*

\* Holding all other variables constant

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	61,614	75,959

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings as all borrowings are at fixed interest rates. Details of interest rates applicable to each borrowing may be found at Note 14(b).

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### *Trade and Other Receivables*

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	18.02%	14.92%	21.20%	41.21%	
Gross carrying amount	178,907	112,277	88,321	312,442	691,947
Loss allowance	32,239	16,754	18,721	128,745	196,459
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	22.49%	33.79%	34.16%	
Gross carrying amount	156,534	94,085	140,453	226,958	618,030
Loss allowance	0	21,162	47,455	77,521	146,138

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.88%	0.88%	0.88%	58.75%	
Gross carrying amount	626,409	24,489	7,796	105,818	764,512
Loss allowance	5,691	2,945	69	62,166	70,871
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	53.79%	
Gross carrying amount	389,702	8,024	2,000	120,930	520,656
Loss allowance	0	0	0	65,054	65,054

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	2,179,782	0	0	2,179,782	2,179,782
Borrowings	969,669	2,649,321	179,962	3,798,952	3,539,515
	3,149,451	2,649,321	179,962	5,978,734	6,605,792
<b>2020</b>					
Payables	1,416,198	0	0	1,416,198	1,416,198
Borrowings	983,514	3,287,402	431,387	4,702,303	4,415,902
	2,399,712	3,287,402	431,387	6,118,501	5,908,933



## 25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring subsequent to the end of the reporting period that warrant adjustment or disclosure.

## 26. CORRECTION OF ERROR

### Nature of error

Balances relating to the 2020 comparative year have been amended due to the correction of prior period errors. These errors have been adjusted below in accordance with the requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

As the Annual Financial Statements were being drawn for 2020/21 it was discovered that the capital project in relation to the upgrade of the Duncan/ Gordon Downs Road was not correctly capitalised in the prior period. A correction of a prior period error has been raised to capitalise this capital project as an Infrastructure asset (work in progress) in the year it was accounted for. Operating grants, subsidies and contributions and Non-operating grants, subsidies and contributions have been restated accordingly to align with the nature of the funding the Shire received in relation to the capital project.

### Statement of Financial Position as at 30 June 2020 (Extract)

#### Non-current assets

Infrastructure

#### Total non-current assets

#### Equity

Retained surplus

#### Total equity

Original Balance	Amount of Adjustment	Restated Balance
\$	\$	\$
84,737,561	6,468,465	91,206,026
123,537,914	6,468,465	130,006,379
26,867,438	6,468,465	33,335,903
125,901,400	6,468,465	132,369,865

### Statement of Comprehensive Income for the year ended 30 June 2020 (Extract)

By Nature or Type

#### Revenue

Operating grants, subsidies and contributions

Non-Operating grants, subsidies and contributions

#### Expenses

Materials and Contracts

#### Net result for the period

By Program

#### Expenses

Other property and services

#### Net result for the period

Original Balance	Amount of Adjustment	Restated Balance
\$	\$	\$
11,954,975	(6,129,366)	5,825,609
2,355,575	6,129,366	8,484,941
9,061,352	(6,468,464)	2,592,888
(2,875,276)	6,468,465	3,593,189
(7,115,150)	6,468,465	(646,685)
(2,875,276)	6,468,465	3,593,189

### Statement of Changes in Equity for the year ended 30 June 2020 (Extract)

Balances as at 30 June 2020 - Retained earnings

#### Total equity

Original Balance	Amount of Adjustment	Restated Balance
\$	\$	\$
26,867,438	6,468,465	33,335,903
125,901,400	6,468,465	132,369,865

### Statement of Cash Flows for the year ended 30 June 2020 (Extract)

#### Cash flows from operating activities

Receipts

Operating grants, subsidies and contributions

Payments

Materials and contracts

#### Net cash used in operating activities

#### Cash flows from investing activities

Payments for construction of infrastructure

Non-operating grants, subsidies and contributions

#### Net cash used in investing activities

Original Balance	Amount of Adjustment	Restated Balance
\$	\$	\$
11,148,006	(6,129,366)	5,018,640
(8,999,579)	6,468,465	(2,531,114)
(1,492,582)	(339,099)	(1,831,681)
(2,042,038)	(6,468,465)	(8,510,503)
2,355,575	6,129,366	8,484,941
(1,492,582)	(339,099)	(1,831,681)

## 26. CORRECTION OF ERROR (Continued)

<b>Rate setting statements for the year ended 30 June 2020</b> <b>(Extract)</b>	<b>Original Balance</b>	<b>Amount of Adjustment</b>	<b>Restated Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>			
<b>Revenue from operating activities (excluding rates)</b>			
Other property and services	6,207,428	(6,129,366)	78,062
<b>Expenditure from operating activities</b>			
Other property and services	(7,115,150)	6,468,465	(646,685)
<b>Amount attributable to investing activities</b>	(6,492,582)	(339,099)	(6,831,681)
<b>Note 2 Revenue and Expenses</b>	<b>Original Balance</b>	<b>Amount of Adjustment</b>	<b>Restated Balance</b>
<b>(a) Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(Extract)</b>			
<b>Operating grants, subsidies and contributions</b>			
Other property and services	6,131,737	(6,129,366)	2,371
<b>Non-operating grants, subsidies and contributions</b>			
Other property and services	0	6,129,366	6,129,366
<b>Note 9 Infrastructure</b>	<b>Original Balance</b>	<b>Amount of Adjustment</b>	<b>Restated Balance</b>
<b>(a) Movements</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(Extract)</b>			
<b>Work in progress</b>			
Balance at 1 July 2020	15,188	0	15,188
Additions	0	6,468,465	6,468,465
Transfers	(15,188)	0	(15,188)
<b>Balance at 30 June 2020</b>	<b>0</b>	<b>6,468,465</b>	<b>6,468,465</b>
<b>Note 16 Notes to the Statement of Cash Flows</b>	<b>Original Balance</b>	<b>Amount of Adjustment</b>	<b>Restated Balance</b>
<b>(Extract)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net result	(2,875,276)	6,468,465	3,593,189
Non-operating grants, subsidies and contributions	(2,355,575)	(6,129,366)	(8,484,941)
<b>Note 17 Total Assets classified by function and activity</b>	<b>Original Balance</b>	<b>Amount of Adjustment</b>	<b>Restated Balance</b>
<b>(Extract)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Transport	85,862,653	6,468,465	92,331,118
Total Assets classified by Function and Activity	132,399,118	6,468,465	138,867,583
	<b>2020 Actual</b>	<b>Impact on Financial Ratios 2020 Adjustment</b>	<b>2020 Restated</b>
Asset sustainability ratio	0.03	0.35	0.38
Debt service cover ratio	0.34	0.56	0.90
Operating surplus ratio	(1.33)	0.09	(1.24)
Own source revenue coverage ratio	0.19	0.08	0.27

## 27. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Staff Housing Bonds	1,896	400	(2,296)	0
BCITF	28,721	4,155	(32,876)	0
DPI vehicle licensing	3,234	40,675	(43,909)	0
Tour operators	0	1,437	(1,437)	0
Nomination fees	0	80	(80)	0
Yarliyil Artists	0	48	(48)	0
	33,851	46,795	(80,646)	0

# SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### 28. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

#### b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

#### c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

#### d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

#### f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

#### g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

#### h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

#### Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

##### Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

##### Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

##### Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**29. ACTIVITIES/PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council. Other costs relating to tasks of assisting elected members and ratepayers on matters which do not concern specific services.
<b>GENERAL PURPOSE FUNDING</b> To provide adequate funding for the Shire's operation by maximising income from Rates, general purpose government grants, interest and other sources of revenue.	Raising of rates, collection of debts, general purpose funding and other funding activities.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b> To provide an operational framework for good community health.	Aboriginal Environmental Health Program - This scheme is part funded by the Health Department of WA, with the main aim being to ensure the delivery of environmental health services to Aboriginal communities, addressing specific needs and requirements of such communities. Health Admin & Inspection - Expenditure related to the general administration and delivery of environmental services such as food inspections, issuing of licences such as stall-holder and hawkker licences, and the general administration role as required by the Shire in accordance with the Health Act. Pest Control and Analytical - Allocation to enable the Environmental Health Officer to undertake food sampling and other testing with relevant testing authorities in Perth. Allocation also for actions required for mosquito control.
<b>EDUCATION AND WELFARE</b> The Shire of Halls Creek Olabud Doogethu service is a collaborative partnership with the Department of Prime Minister and Cabinet that focuses on ensuring Indigenous Australians grow up and live their lives in a safe home and community, Department of Corrective Services and the Department of Child Protection Family Support.	Focuses on "breaking the cycle" for at-risk Aboriginal young people - ensuring they have a safe environment in which to make positive life choices.
<b>HOUSING</b> Provision of adequate housing for Shire staff.	Maintenance and operations of staff housing, capital repairs and maintenance, as well and new construction.
<b>COMMUNITY AMENITIES</b> Provide services required by the community.	Refuse collection services and refuse site maintenance, administration of the Shire's Town Planning function, maintenance and management of the Shire's Cemetery, public conveniences and certain community development projects.
<b>RECREATION AND CULTURE</b> To establish and manage efficiently infrastructure and resources which will help the social development and well being of the community.	Maintenance and operation of Civic Halls, Sports Courts, Oval, Aquatic & Recreation Centre, Library, Rebroadcasting services and the culture background of Halls Creek such as the Trackers Hut.
<b>TRANSPORT</b> To provide safe, effective transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and the operation of the airport.



29. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic well being.	Travel & Tourism & Area Promotion, Building Control, Post Office services and Economic Development.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control Council's overheads operating accounts.	<p>Public Works Overheads - Costs associated with the employment of Works staff are included in this sub-program and are then re-allocated to the relevant service or programme through routine overheads recovery processes.</p> <p>Plant Operation Costs - All costs associated with the operation of Council's plant fleet are assigned to this sub program, and throughout the year are reallocated to relevant work jobs assigned to this sub program, and throughout the year are reallocated to relevant work jobs on which the plant worked, to obtain accurate costs of that job. Items of plant which determine actual costs include fuels, oils, repairs and depreciation.</p> <p>'Salaries &amp; Wages - This sub Programme identifies the total salaries and wages 'costs expected for the year and these are also reallocated throughout all sub Programmes during the financial year to reflect true costs.</p>

### 30. FINANCIAL RATIOS

	2021 Actual	2020 Restated	2019 Actual
Current ratio	0.67	1.37	2.62
Asset consumption ratio	0.89	0.92	0.69
Asset renewal funding ratio	2.05	n/a	n/a
Asset sustainability ratio	0.01	0.38	0.43
Debt service cover ratio	2.75	0.90	18.85
Operating surplus ratio	(0.78)	(1.24)	(0.53)
Own source revenue coverage ratio	0.24	0.27	0.29

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{Net present value of planned capital renewal over 10 years}}{\text{Net present value of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$